

Purchasing Week

M c G R A W - H I L L ' S N A T I O N A L N E W S P A P E R O F P U R C H A S I N G

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Vol. 1 No. 17

New York, N. Y. April 28, 1958

\$6 A YEAR U. S.
AND CANADA

\$25 A YEAR
FOREIGN

Skills Still Win Jobs Available In Purchasing

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New York—Job opportunities in purchasing for run-of-the-mill applicants are on the lean side these days. But for the purchasing agent with a solid background of buying experience and some special technical training, particularly in electronics, the field seems wide open.

Companies in the market for purchasing personnel, in the lower as well as top executive brackets generally are demanding more talent for less money. On the other hand, a few firms seeking to fill top jobs have been able to do so only by substantially increasing their salary offers to attract men capable of meeting the super-standards set up by them.

A PURCHASING WEEK survey of employment agencies and
(Continued on page 14)

Auto Production Down, But Wait 'Til Next Year

Detroit—The U. S. auto industry seems to be heading towards its worst year since 1952. A combination of a general economic downturn, consumer apathy to Detroit styling, and a relatively new car saturated public has hit the automakers hard. Even the hard sell and heavy discounting have failed to stimulate lagging demand for automobiles so far this year.

An analysis of the two-year auto cycle, (chart on page 3), indicates the extent of the current
(Continued on page 3)

Productivity Counts

Productivity (output per man-hour) is an important economic indicator for purchasing executives. For a complete story on productivity and how to use this index, see page 13.

Uniform Shipping Containers Asked

Chicago—Tremendous cost savings could be affected by the nation's transportation system through use of a standardized shipping container program, a combined industrial committee disclosed last week in a recently completed study.

Reduced freight rates, or at least no further increases, would result, the group emphasized, as
(Continued on page 30)

Lead, Zinc Groups Win Import Fight

Domestic lead and zinc producers won a modest victory in their fight for new import restrictions this week, when the Tariff Commission backed their case for duty boosts, but split 3-3 on pleas for import quotas. The Commission also divided evenly on how much the lead-zinc tariff should be raised.

The 200-page report is considerably less than what U.S. producers had hoped for in the way of support for their tariff-quota campaign. It goes now to the White House, where the President must rule in 60 days—after advice from his newly-formed Inter-Agency Trade Ad-
(Continued on page 30)

Consumer Buying Tops Year Ago

Washington—President Eisenhower recently urged consumers to "buy—buy anything" to help pull the country out of recession.

But consumers have needed no urging—they have been buying, and buying almost everything, at a high rate.

A report by the Commerce Department last week points up the fact that consumer purchases in the first quarter of 1958 were at an annual rate of \$281 billion—an increase of a \$5.3 billion annual rate from the first quarter a year ago.

Consumer expenditures did fall off slightly in the last six months from the previous three months. But this reflected the fact that consumers had less to spend. A 1% decline in spending from the third quarter in 1957 was about equal to the amount of decline in take-home pay resulting from the recession.

In contrast to a \$2.6 billion
(Continued on page 30)

Boycott Piles Freight On New York Piers

New York—Incoming freight piled high on New York-New Jersey port piers last week as truck owners intensified a boycott of the port area in protest against higher cargo handling charges imposed on the truckers by the port terminal operators.

Aided by Teamster Union pickets, the truckers are fighting increased truck loading and unloading rates set earlier this month by waterfront terminal operators. The Waterfront Commission reported that activity in the New York-New Jersey harbor had declined by 65% since
(Continued on page 29)

Metal Powder Groups Unite to Push New Uses



DR. GEORGE ROBERTS
(Heads metals group)

Philadelphia—Powder metallurgy is taking its story to industry. This was the gist of last week's announcement of a new organization bringing together the basic groups making up the metal powder industry.

The new organization, Metal Powder Industries Federation succeeds the Metal Powder Association. According to Dr. George Roberts, left, M.P.I.'s first president, the federation's chief objective is "promoting new applications for metal powder parts on behalf of its members." Roberts is vice-president of Vanadium-Alloys Steel Co.

Four individual trade associations make up the M.P.I.: Metal Powder Producers Association, Ferrite Manufacturers Association, Metal Powder Core Association, Powder Metallurgy Equipment Manufacturers Association.

Each will operate independently, reflecting the problems of the group it represents. But M.P.I. expects to push cooperative action on the part of each group with the objective of developing the entire metal powder industry.

In the research and development area will be the newly created American Powder Metallurgy Institute. The Institute is still in the talking stage, but it will coordinate research activities among the member companies. It will also make a number of market studies.

Suggestions on how to implement the federation's objectives were presented by Maurice H. Reid, New Jersey Zinc Co. He
(Continued on page 4)

Machine Tool Orders Up 28%

Cleveland—Machine tool new orders continue to show improvement. March bookings, just released, showed a healthy 28% rise over February levels.

This marks the third straight month of increase for this leading indicator of economic activity. It's a further sign that the current recession is bottoming out.

It should be noted, however, that the March increase was due primarily to a few big orders. The lumping of these orders in March may have created an abnormal hump in new business. A decline may follow in April.

However, leading tool producers are still optimistic about May, June, and July. The optimism stems, in part, from re-
(Continued on page 4)

—This Week's—

Purchasing Perspective

APRIL 28-
MAY 4

Grab the "Ole Recession Debil" by the tail and throw him out the door.

That's the decision many top level industrial managements have made in recent weeks. And the idea of squaring off and fighting back aggressively is picking up steam.

General Electric, latest of the big firms to announce a determined "let's get out and lick this thing" campaign, is giving purchasing a definite role in its "operation upturn" blueprint to build sales, create jobs, and speed up the expected business upturn during 1958. Purchasing will be expected to put more zip into its continuing drive for better materials and finding new uses for old materials for product improvement. The value-analysis concept also will get a going over.

Purchasing participation will be especially heavy in relations with suppliers—aiding them with transportation problems, stressing their responsibility in providing materials and components at lower cost, and direct advice on the basic concept of "how to sell to G.E."

Western Electric is another firm that is restressing closer buyer-
(Continued on page 30)

New P.W. Service Spots Key Price Trends

To help you spotlight price trends in key areas of the economy, PURCHASING WEEK is introducing a new service for its subscribers. Beginning with this issue, P.W. will list monthly, seven special McGraw-Hill indexes, all of which are designed to summarize a particular segment of industrial prices or costs.

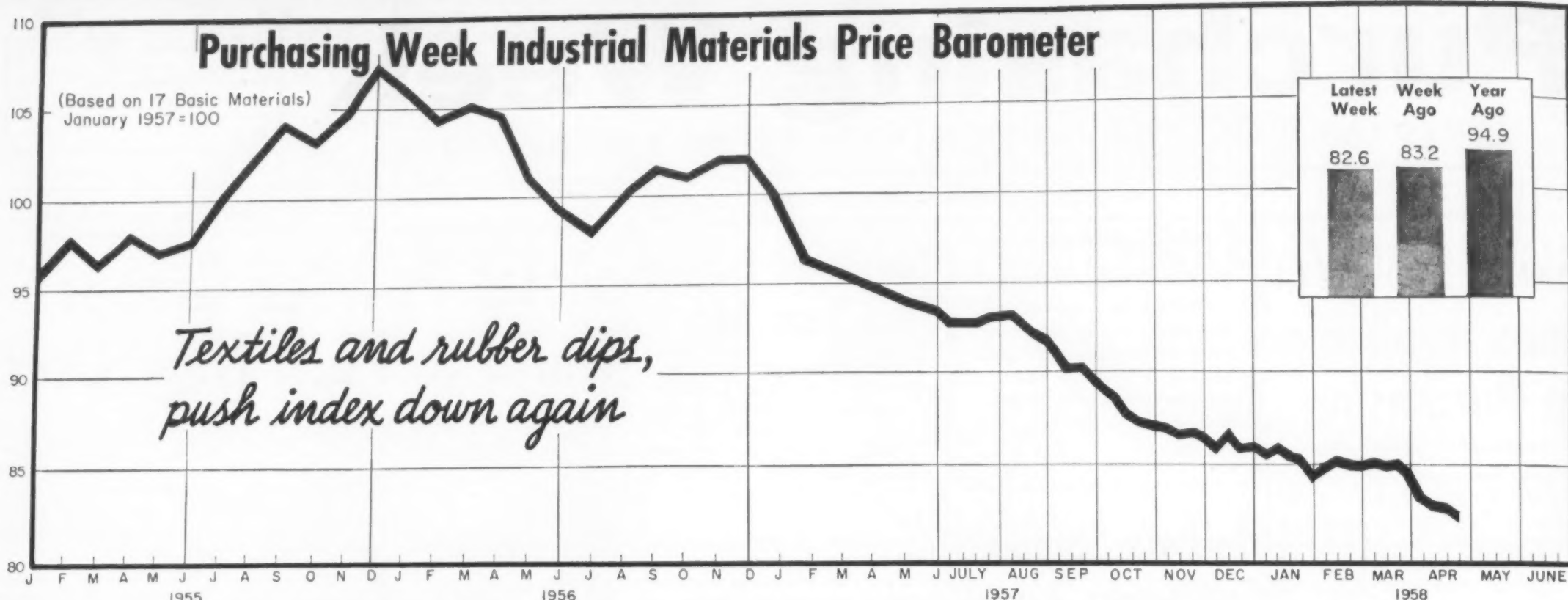
These McGraw-Hill indexes are handy tools for solving the increasing number of management decisions that purchasing executives will be faced with in the coming months.

- They provide a general picture of prices for seven vital industrial areas, giving you a bird's-eye view of big, general segments of the industrial price picture. The indexes indicate where prices are now and which way they're going.

- Specific indexes in your area of business activity give you a
(Continued on page 29)

McGraw-Hill Indexes

	Latest Month	Month Ago	Year Ago
Basic Chemicals Price Index.....	110.9	111.0	108.5
Chemical Week 1947 = 100			
Construction Cost Index.....	745.8	744.4	784.0
Engineering News-Record 1913 = 100			
Electrical Materials Cost Index.....	118	118	121
Electrical Construction & Maintenance November 1951 = 100			
Metalworking Products Price Index...	155.7	155.9	151.5
American Machinist 1947 = 100			
Non-Ferrous Metals Price Index....	167.3	168.4	200.0
Engineering & Mining Journal 1922-24 = 100			
Petroleum Refinery Products Price			
Averages Index	89.3	90.4	102.5
National Petroleum News January 1957 = 100			
Plant Maintenance Cost Index.....	167.6	167.6	164.8
Factory Management & Maintenance 1947 = 100			



THIS BAROMETER Was Designed Especially for the Readers of PURCHASING WEEK by the McGraw-Hill Department of Economics.

This Week's

Price Perspective

APRIL 28-MAY 4

Continuing world-wide drop in sensitive commodity prices has again brought up the question of international commodity agreements.

Aim of such schemes would be to keep industrial raw material tags on a fairly even keel, by adjusting world supply to world demand.

The renewed talk hardly comes as a surprise. These schemes always come up in times of sharply falling prices.

But there is one difference now: Not all the talk comes from the raw material producing countries that are feeling the brunt of the price decline.

Washington, for one, is sending out cautious feelers, trying to gauge business sentiment on joining such agreements.

It's a reversal of the long-standing U. S. policy of refusing to discuss commodity stabilization pacts with supplier countries.

The reasons for the Washington change of heart aren't too hard to find:

- **Non-industrial supplier countries are hurting.** Nations like Chile (where 60% of its foreign exchange is derived from copper) cannot keep their fiscal heads above water at current world market price levels.

- **The growing awareness that violent price fluctuations help no one.** This applies to both producer and supplier. A stable or mildly fluctuating price permits businessmen to go about their normal task without having the added worry of speculating and out-guessing the market.

- **Overproduction is becoming chronic in many areas.** The capacity to produce some raw materials far exceeds world demand.

- **Russia can be the only winner in a wildly fluctuating market.** Already Kremlin trade experts are bickering with hard pressed raw material producing nations. Should these countries become dependent on the Russians, westerners might find themselves on the outside looking in.

But don't expect any miracles from the American change of heart.

Domestically, anti-trust laws and traditional business distrust of international agreements have to be overcome.

Internationally, supplier and user countries have to agree on production, export quotas, stockpiles, prices, etc.

The fact that Russia has entered world markets can't be ignored either. To work, all major producers and users must agree.

Judging from past experience such agreements are hard to come by and even harder to administer.

To give you an idea how these pacts work, here's a thumb nail sketch of three major ones now in operation:

- **Sugar**—Both the United States and Britain belong to this pact. Price levels and export quotas are agreed upon, and imports from non-member countries are limited. But the agreement doesn't work too well, simply because many big sugar countries just are not in it.

- **Tin**—Neither the United States nor Western Germany are members of the free world tin agreement. It does, however, cover about 90% of free world producers. Has this one worked? The answer to that is maybe it has, but at tremendous cost. For example, producer countries have had to pay out plenty to support the tin buffer stock.

- **Wheat**—This is another commodity over which nations have gotten together. But the result hasn't been impressive. The reason: Britain, the world's largest wheat importer, is not a member. Britain left because of mounting world wheat surpluses and because, in its opinion, the agreement was doing nothing to cure that headache.

This Week's Commodity Prices

METALS

	April 23	Apr. 16	Year Ago	% Yrly Chg.
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	65.50	+ 2.3
Pig iron, basic, valley, gross ton	66.00	66.00	64.50	+ 2.3
Steel, billets, Pitts., net ton	77.50	77.50	74.00	+ 4.7
Steel, structural shapes, Pitts., cwt	5.275	5.275	5.00	+ 5.5
Steel, structural shapes, Los Angeles, cwt	5.975	5.975	5.70	+ 4.8
Steel, bars, del., Phila., cwt	5.725	5.725	5.365	+ 6.7
Steel, bars, Pitts., cwt	5.425	5.425	5.075	+ 6.9
Steel, plates, Chicago, cwt	5.10	5.10	4.85	+ 5.2
Steel scrap, #1 heavy, del. Pitts., gross ton	33.50	33.50	41.50	-19.3
Steel scrap, #1 heavy, del. Cleve., gross ton	29.50	30.50	38.50	-23.4
Steel scrap, #1 heavy, del. Chicago gross ton	30.00	30.00	40.50	-25.9
Aluminum, pig, lb	.24	.24	.25	- 4.0
Secondary aluminum, #380 lb	.213	.213	N.A.	N.A.
Copper, electrolytic, wire bars, refinery, lb	.240	.240	.316	-24.1
Copper scrap, #2, smelters price, lb	.18	.18	.253	-28.9
Lead, common, N.Y., lb	.12	.12	.16	-25.0
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	1.60	-53.8
Tin, Straits, N.Y., lb	.93	.929	1.00	- 7.0
Zinc, Prime West, East St. Louis, lb	.10	.10	.135	-25.9

FUELS

Fuel oil #6 or Bunker C, Gulf, bbl	2.25	2.25	2.75	-18.2
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.65	2.65	3.30	-19.7
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.50	2.50	2.70	- 7.4
LP-Gas, Propane, Okla. tank cars, gal	.04	.04	.04	0
Gasoline, 91 oct. reg. Chicago, tank car, gal	.118	.118	.128	- 7.8
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.114	.114	.136	-16.2
Coal, bituminous, slack, ton	5.75	5.75	6.05	- 5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0

CHEMICALS

Ammonia, anhydrous, refrigeration, tanks, ton	90.50	90.50	82.50	+ 9.7
Benzene, petroleum, tanks, Houston, gal	.36	.36	.36	0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut oil, indelible, crude, tanks, N.Y. lb	.153	.149	.123	+24.4
Glycerin, synthetic, tanks, lb	.298	.278	.280	- 7
Linseed oil, raw, in drums, carlots, lb	.175	.175	.160	+ 9.4
Phthalic anhydride, tanks, lb	.205	.205	.205	0
Polyethylene resin, high pressure molding, carlots, lb	.325	.325	.35	- 7.2
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.70	9.70	9.60	+ 1.0
Shellac, T.N., N.Y. lb	.31	.31	.36	-13.9
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	26.50	-11.3
Sulfuric acid, 66%, commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, indelible, fancy, tank cars, N.Y. lb	.081	.081	.078	+ 3.8
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0

PAPER

Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	16.15	+ 5.3
Bond paper, #1 sulfite, water marked, 20 lb carton lots, CWT	24.20	24.20	23.55	+ 2.8
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Kraft liner, 42 lb del. N.Y., ton	127.50	127.50	127.50	0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.50	9.50	9.25	+ 2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.60	- 3.0

BUILDING MATERIALS

Brick, del. N.Y., 1000	41.35	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.42	4.42	4.38	+ .9
Glass, window, single B, 40" bracket, box	7.09	7.09	7.09	0
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	115.00	114.00	119.00	- 3.4
Douglas fir lumber, 2x4, s4s, trucklots, fob N.Y.	120.00	119.00	119.00	+ .8

TEXTILES

Burlap, 10 oz, 40", 100 yd	10.45	10.45	10.90	- 4.1
Cotton, 1" Middling N. Y., lb	.36	.36	.354	+ 1.7
Printcloth, 39", 80x80, N.Y., spot, yd	.171	.172	.178	- 3.9
Rayon, satin, acetate, N.Y., yd	.27	.27	.285	- 5.3
Wool tops, N.Y. lb	1.415	1.485	2.005	-29.4

HIDES AND RUBBER

Hides, cow, light native, packers, lb	.145	.140	.135	+ 7.4
Rubber, #1 std ribbed smoked sheets, lb	.268	.273	.328	-18.3

Automobile Production Declines, But Just Wait Until Next Year

Economic Downturn, Consumer Apathy Hits
Producers Hard; Stimulants Not Working

(Continued from page 1)
downturn. But it also foretells a pickup in 1959. Production next year could easily bounce back to near the 6 million level. The reasons:

- Extensive style changes, in line with what Detroit thinks the public wants, are in the cards for next year.

- Auto credit outstanding will be relatively low, enabling many buyers to come back into the market.

- An upturn in general economic activity, resulting in increased consumer income, will enable many more people to make the necessary outlays for new cars.

Important to P.A.'s

The current auto situation and the outlook for next year are of great importance to purchasing executives. An eye on autos can give you the demand trend for a host of industrial commodities, and for a good deal of industry as well. Here's why:

The automobile industry is the nation's number one user of steel, rubber, plate glass, nickel, and lead. The industry is also among the top customers for aluminum, copper, zinc, cotton, machine tools, and chemicals. That's why a weakening in the demand for new cars puts so much pressure on the markets for the above products.

And that's why price pressure for most of the above commodities is likely to continue through the summer, if not longer.

A quick look at the current auto picture will tell you why. Output of cars so far this year is running 32% behind last year, (see chart above) while sales trail 1957 by 28%. The big downturn in production, has still left output slightly above sales so far in 1958. The result has been a continued buildup in already heavy stocks. Autos in dealer's hands total well over 800,000—close to the all-time record.

Cutbacks Have Hurt

Cutbacks in demand so far this year have been felt by just about all makers though Rambler, Chevrolet, Cadillac, and to a certain extent Oldsmobile, have been surviving quite well. Biggest losses have been felt by the Chrysler line. Sales of its five makes are down 41% from 1957. And its market penetration has dropped from 20.6% to 14.6% during the past year.

General Motors, on the other hand, is not doing too badly. Sales are down 17%, but because of bigger Ford and Chrysler drops its market penetration has jumped from 46% to 52% in the past 12 months.

On the basis of the above figures, PURCHASING WEEK estimates 1958 domestic production and sales to total near the 4.8 million mark. That would be the lowest production year since 1952 and 23% below the 1957 total.

Foreign cars meanwhile, continue to break new records. Although 1958 won't see a doubling of sales for the imports

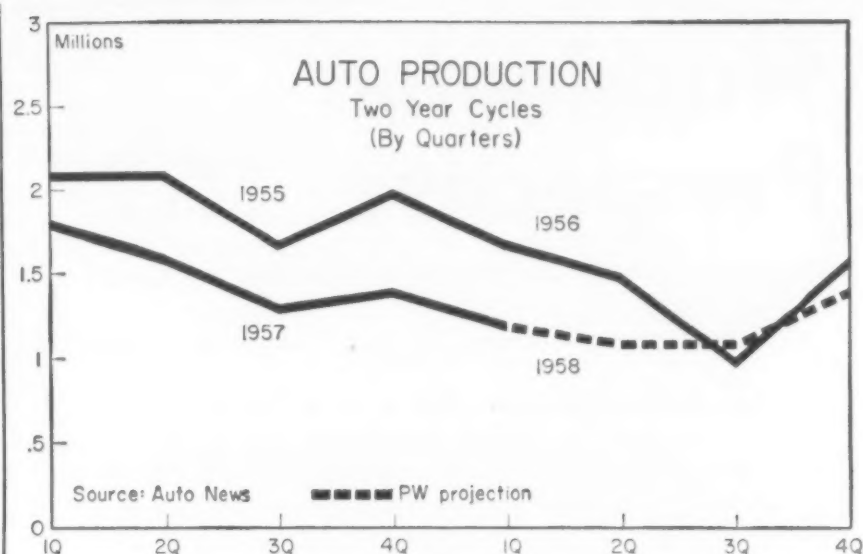
for the third year in a row, a better than 50% increase over 1957 is quite likely.

That would mean that total sales of foreign cars this year will pass 300,000—compared with 205,000 last year. Sales in the first-quarter of this year showed a better than 100% increase over last year. But the pace is bound

to slow as the import's market penetration nears its saturation level.

The autos from abroad are currently capturing over 5% of total U. S. sales—almost double year-ago penetration levels of the American markets.

Many purchasing executives are taking a long hard look at these autos for business purposes. Use of the imports for sales and service fleets can save you quite a bit of cash in upkeep and maintenance, as well as in the purchase price, of new cars. They're especially good where the vehicle serves primarily for transportation, rather than to carry goods.



How V-Belts with the Green Seal save you money

They're dimensionally stable—Exclusive 3-T Cords or unsurpassed steel cables muscle belts that don't shrink or stretch in storage. So matched sets stay matched. Down time is cut to a new low.

They're precisely measured—The length you need is the length you get. Mismatching failures are minimized.

They're high in modulus, low in stretch—Power loss through "creep" is virtually eliminated. Take-ups are few and far between.

They're friction-balanced, non-dusting—Their covers don't grab or stick in the grooves. They run smoothly and cleanly.

They're mildew-inhibited—They're safely stored and operated in high moisture. Stand-by drives always ready when needed.

—AND IT ALL ADDS UP TO

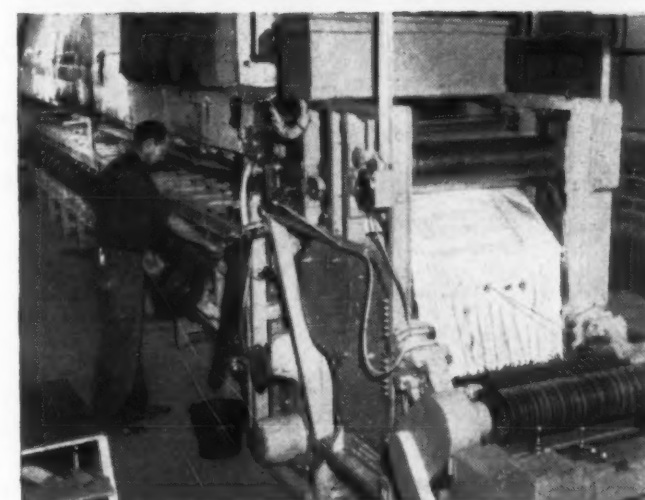
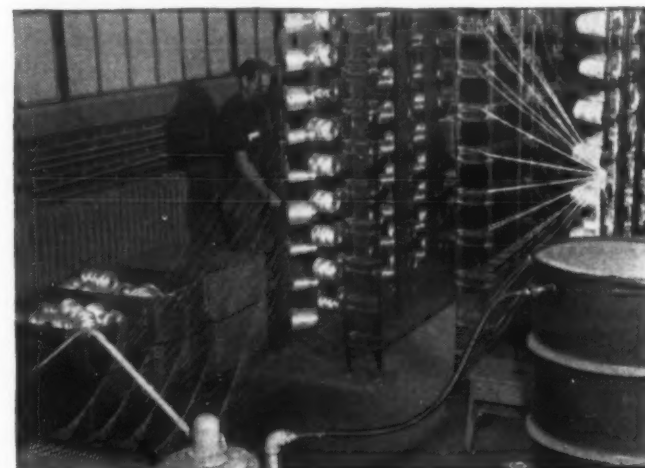
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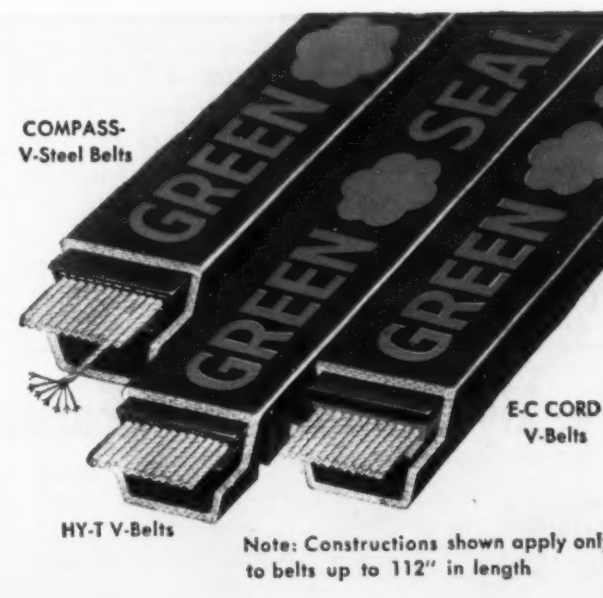
GOODYEAR

THE GREATEST NAME IN RUBBER

Compass, E-C Cord, Hy-T, Green Seal—T. M.'s The Goodyear Tire & Rubber Company, Akron, Ohio



Moneysaving performance is built into every Goodyear V-Belt in exclusive manufacturing processes like those illustrated above. Synthetic fiber cords are impregnated repeatedly with special rubber latex compounds. When treated at a precise tension and temperature for a precise time (the exclusive 3-T process), the cords are stabilized at the point of greatest strength before being built into the load-carrying section of Goodyear V-Belts.



Note: Constructions shown apply only to belts up to 112" in length



Washington Perspective

APRIL 28-
MAY 4

Look to the Ways and Means Committee for tip-offs on two big issues coming up of interest to purchasing agents:

First, the Reciprocal Trade Bill, which is coming down to the wire;

Second, the decision on whether or not to cut taxes.

On both of these, the powerful committee headed by Arkansas Representative Wilbur Mills—close friend of Speaker Rayburn—has the power of setting the pattern for others to shoot at, for or against.

Last week, Ways and Means fashioned the political package on unemployment compensation with which the democrats hope to tag the republicans.

Now, they're taking up reciprocal trade, and from Mills and his committee members you'll get a real tip-off on the prospects of the free traders winning out over those who want to protect American suppliers from lower-priced imports.

Reason: The House leaders want to bring out of committee a bill that can be approved by the house without amendment. That is, they want to make all their concessions to the protectionists in committee, and give House members only the option of approving the bill as it is presented to them or voting it down. They don't want to permit any amendments during the house debate. They're afraid log-rolling there by various blocs would load the bill with special amendments favoring particular industries.

A compromise on reciprocal trade is in the works. It would be a stand-off between the two factions. It would provide a one year extension of the law, without giving the President any new power to reduce tariffs, or giving the protectionists any new protection.

This would put off a show-down for another year. The free traders think that this year's combination of a recession plus a fall election is too much for them. Next year, they hope, the recession will have eased, there will be no election-year pressure on congressmen, and they may have more free traders than they now have in Congress.

Protectionists may go along with the compromise; they're afraid of an Eisenhower veto if they should get all their proposals tacked on to the bill that goes to the White House.

After reciprocal trade is out of the way, Mills and Ways and Means will begin to decide—seriously—what to do about tax cuts to turn business upward.

There's more talk about the delay being bad for business—that the earlier a decision can be made, either for or against a cut now, the better off we will be.

The reasoning:

People will hold off buying autos and other items, and businessmen will hold off making plans and purchases, until they know what the tax outlook is.

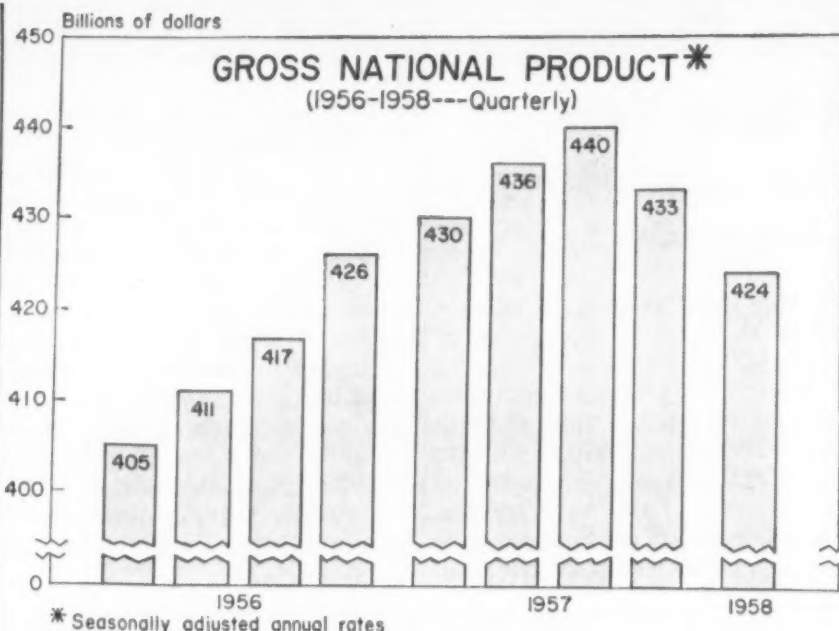
Chairman Martin of the Federal Reserve Board got in his licks against a tax cut last week. He thinks enough is being done now to counter the recession through increased federal spending by the Administration and easier credit from the F.R.B.

Martin says that the easing of credit is just now taking hold, and that to cut taxes now would risk giving the economy an inflationary boost during the next few months when the present anti-recession policies should begin showing results.

This week, Senator Douglas is opening hearings of the Joint Economic Committee into spending and tax policy.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,265	1,285	2,269
Autos, units	74,483	84,997	118,327
Trucks, units	16,639	16,863	23,366
Crude runs, thous bbl, daily aver	7,051	7,571	7,690
Distillate fuel oil, thous bbl	10,901	11,720	11,942
Residual fuel oil, thous bbl	6,495	7,248	8,345
Gasoline, thous bbl	24,531	25,817	26,370
Petroleum refineries operating rate, %	76.8	82.5	86.2
Container board, thous tons	132,700	137,976	142,830
Boxboard, thous tons	130,906	118,994	139,744
Paper operating rate, %	85.5	89.6	96.2
Lumber, thous of board ft	220,237	216,307	245,446
Bituminous coal, daily aver thous tons	1,160	1,170	1,650
Electric power, million kilowatt hours	11,107	11,307	11,485
Eng const awards, mill \$ Eng News-Rec	325.7	304.5	439.6



GROSS NATIONAL PRODUCT dipped in the first quarter of 1958, second dip in a row. That put it some 3.6% below high set in the third quarter of 1957. Most of decrease was due to inventory liquidation.

Gross National Product Figures Show Buying Impact on Economy

Decline of \$16 Billion Can Be Traced To Slowdown in Industrial Purchasing

Washington—The latest report on the nation's Gross National Product (GNP) reveals in dramatic clarity how the impact of purchasing relates to the economy as a whole. Most of the \$16 billion drop in the GNP rate (see chart on p 4) during the past six months can be traced to the general slowdown in industrial purchasing.

The Gross National Product stands at the head of all economic statistics issued by the government. Estimated quarterly, the GNP gives the most comprehensive picture of the progress of the U. S. economic machine.

Economy Key Barometer

In economic terms, GNP is the total output of goods and services, measured in terms of its market value, before any deductions are made for depreciation and taxes. In effect, it is a balance sheet of the entire economy, with the business system making up about 90% of the total.

Figures Chart Output

The GNP is important, not only for charting the output of the economy as a whole to see where we stand now, but for tracing the flow of products and income throughout the economy.

It is broken down into four main sections: personal consumption expenditures, gross private domestic investment, net foreign investment, and government purchases of goods and services.

For the past several years, about two-thirds of the GNP went into consumption, about 20% for government purchases and the remainder to investment, both foreign and domestic.

The GNP reached its highest point in history during the third quarter of 1957, when it was running at a rate of \$440 billion a year. In a preliminary report released last week, the government estimated that the GNP had fallen to a rate of \$424 billion in the first quarter of 1958, a drop of \$16 billion in six months.

Just where did this drop occur? The GNP report provides a handy

check on this. It shows that a decline of \$13.5 billion, or almost 85%, took place in the gross private domestic investment sector.

Consumer purchases have been relatively strong in the recession, and they fell off only \$2.6 billion to annual rate of \$281 billion for the first three months of this year. What decline there was could be accounted for mainly in automobile purchases.

Private Investment Dips

So we see that the main impact of the recession has come in the domestic private investment sector. Three billion of the \$13.5 billion decline here was for investment in fixed capital equipment. But the bulk of the decline was in inventory purchases, which are treated as investments for GNP purposes.

Purchasing agents, tightening their belts for the recession and exercising more discretion in their buying practices, cut back inventory purchases to the tune of \$10.5 billion on an annual rate in the past six months. Hence business purchases show the greatest effect of the recession, accounting for a drop of almost two-thirds in the GNP.

Report Will Be Issued

The Commerce Department will issue next month a full report on the first quarter GNP, showing breakdowns in greater detail. As can be expected when dealing with anything so huge and diversified as the U. S. economy, the statistical job entailed in estimating the GNP is perhaps the most complex in all of government.

Utilizing literally hundreds of different sources of statistical data, estimates must be made of most of these to come up with the grand output total for the nation.

Interestingly enough, the statisticians determine business output to a large extent in an indirect way. They go not to business production statistics, but to those for consumer expenditures, on the ground that this is the handiest and most effective way

of doing the job. Monthly reports on retail sales are available, and the GNP is based on the market value of all goods and services turned out.

For private domestic investment statistics, the commerce department relies heavily on business reports on their capital investments and inventory situations. Finally, official government statistics are used in evaluating the amount of government purchases and foreign investment.

Machine Tool Orders Up 28%

(Continued from page 1)

ports that General Motors may begin a big tool buying program in May. It would be for a small auto engine to offset inroads made by small foreign cars.

Rumors have it that tools would be for a 70-engine-an-hour production line. American output would be slated for sometime in late 1959.

The March rise pushed first quarter 1958 new orders up to \$71.3 million. That's close to the \$74.8 million booked in the fourth quarter 1957.

Year-to-year comparisons, however, still remain unfavorable. The March total (\$29.2 million) was still 51% below the \$58.9 million racked up in March 1957.

Foreign business was especially good in March. Some \$5.8 million of the \$29.2 million booked for March reflected new business from abroad. This marked the third straight month of increasing foreign business.

Smaller cancellation rate is another encouraging sign. Cancellations dipped to \$1.8 million in March. That compares to a big \$4.6 million in cancellations reported a year earlier.

Metal Powder Groups Unite To Push New Uses

(Continued from page 1)

offered a market development program along these lines:

- An increase in technical information made available along with a bigger advertising campaign in trade magazines.

- Printed material should be developed that introduces the potential user to metal powder parts.

- A film tied to the unique properties of metal powder parts would provide considerable impact.

- Design clinics and exhibits should be held regularly. This would give customers and potential customers an opportunity to actually see what metal powder has to offer.

Some or all of these are likely to be adopted by the federation.

Steel Scrap Prices Drop to \$32 a Ton

Pittsburgh—Reduced buyer interest pushed steel scrap prices down \$2-\$3 a ton last week. The key No. 1 melting grade here in Pittsburgh slumped off to \$32 a ton—the lowest level since September 1954.

Trade sources here noted the weakness was general. Chicago and Philadelphia both reported little demand and price weakness.

No Blueprint for Inventories, Speaker Tells Cleveland P.A.'s

Ground Rules Are The Same in All Industries;
Westinghouse Official Explains Viewpoint

Cleveland—There is no blueprint for an inventory plan that can cover all industries, but basic ground rules are the same, Harold W. Braun of Westinghouse told members of the Cleveland Purchasing Agents Association April 17.

Speaking at the forum meeting on "Scheduling for Inventory Control," Braun said the objectives of control are the same in all industries, no matter how it is scheduled.

"We're all out to lower inventory costs, increase productivity, and provide customer service," he said.

As manager of customer services, Braun is in charge of inventory control for the outdoor lighting division in Cleveland and the indoor lighting division in Vicksburg, Miss.

"Inventory is an asset, as important as the land and the physical plant of the company," said Braun. "Yet we must keep this asset at a minimum while maintaining enough to provide customer satisfaction and still get the lower production costs."

Braun described how Westinghouse schedules for inventory control: Products are classified and inventory is maintained in four different stages:

- Work in process inventory—buying against orders received.
- Raw material inventory—the most flexible and low cost of the classifications.
- Finished parts inventory—raw material plus shop work. But, since this does not satisfy sales department demands to have products which are ready to be delivered, they must maintain
- Shipping stock inventory—the most costly and least flexible of all ways to maintain inventory.

By breaking down their inventory in this manner, Westinghouse can keep inventory properly scheduled, knowing which of their products is in each stage of inventory. This control is achieved by putting "controllers" in charge of each classification.

"Our controllers have a 'bogey'—that is, a dollar or volume limit on each category that they have to work within."

Thus purchasing must be in on the engineering stages of the product, Braun said. Purchasing can aid in the design stage by suggesting standardization of parts which can greatly reduce production costs, Braun continued.

He emphasized that respon-

sibility for inventory control starts with the divisional manager. After that, it's up to sales, next to purchasing, then to accounting and lastly to industrial relations—"because if anything goes wrong with your scheduling, it'll cause bottlenecks that industrial relations will have to iron out," he explained.

DeRose Sets 3 Talks in South

Columbia, S. C.—The Carolinas-Virginia Purchasing Agents Association has arranged for Dr. Louis J. DeRose, president of the management consultant firm of DeRose & Associates, New York, to speak at three association meetings this year.

Dr. DeRose reviewed "Principles and Techniques of purchasing for Profit" at the Carolinas-Virginia spring meeting here. Members were so impressed that they have asked him to give an advanced course on the same

topic in June, September, and December.

Other speakers during the two-day spring meeting included Nicholas P. Mitchell, director of extension at the University of South Carolina; Harlan E. Cross, U. S. Pipe & Foundry Co., Birmingham, Ala.; and M. B. Eubanks, Jr., Riegel Textile Corp., Trion, Ga.

Grayson Meetze, purchasing agent for South Carolina Electric & Gas Co., presided over a forum discussion.

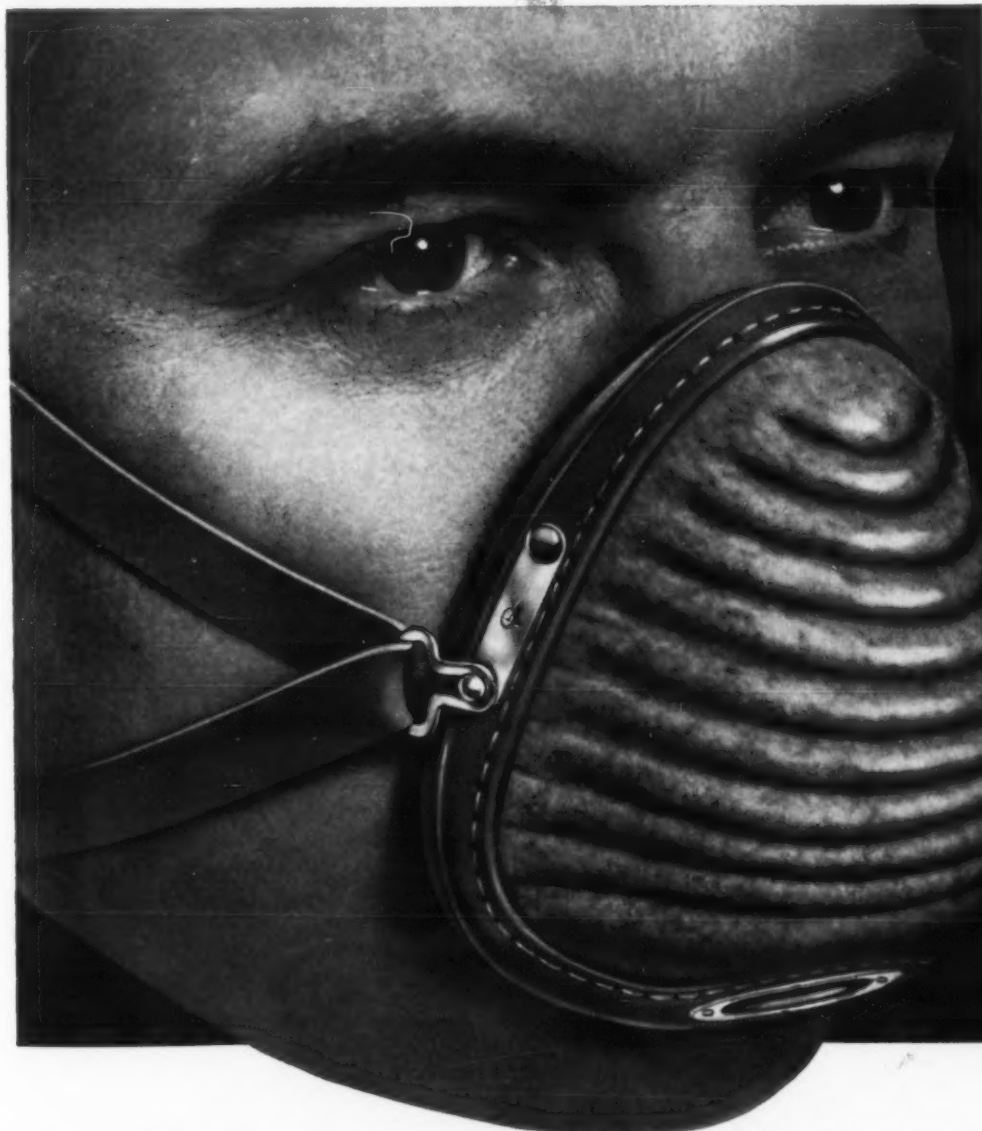
Other P.A.'s participating were: T. H. Garrett, Duke Power Co., Charlotte, N. C.; W. H. Cosby, Glamorgan Pipe & Foundry Co., Lynchburg, Va.; B. M.

Keever, Jr., J. P. Stevens & Co., Greensboro, N. C.; F. A. Manchester, American Enka Corp., Enka, N. C.; and C. H. Leys, Old Dominion Box Co., Charlotte, N. C.

H. R. Michel, P.A. for Celanese Corp. of America at Charlotte, presiding at the sessions. He's the 1958-59 president of the Carolinas-Virginia association.

Companies Plan Merger

Columbus, Ohio—A merger agreement has been approved by the directors of the Federal Glass Co. here and the Federal Paper Board Co., Bogota, N. J.



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Stabilization Is Here Shillady Asserts

Birmingham, Ala.—The nation has reached "the point of stabilization" in the leveling-off process, Robert E. Shillady, president of the National Association of Purchasing Agents declared.

Shillady, in speaking at the April meeting of the Purchasing Agents Association of Alabama, forecast "the country will experience a pickup in the economy in the next several months."

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RALPH C. MOFFITT

P.A.'s Training Is Session Topic

Program Should Stress New Ideas, Moffitt Tells Pittsburgh Unit

Pittsburgh—In the development and training of purchasing personnel, the key words are "imagination, intelligence, initiative, and integrity," according to Ralph C. Moffitt, vice president-purchases, U. S. Steel Corp.

Addressing the April 15 meeting of the Purchasing Agents Association of Pittsburgh, Moffitt declared: "Creation of new ideas may determine the survival of a business, and purchasing must have creative thinkers to maintain its position in management circles."

Need Good Ideas from Outside

He emphasized that purchasing agents should seek ways and means of stimulating the solution of problems not solved by routine methods. Such a program, he added, should encourage good ideas from outside the purchasing organization.

Commenting that suppliers are a good source of ideas concerning the products they sell, Moffitt asserted, "It is important that they know that the purchasing department welcomes and will listen to their ideas."

But while stressing the need for imagination, he pointed out that creative thinking must be balanced by good judgment and put to work. "One of the fallacies of many formalized training programs," Moffitt continued, "is that they do not teach a man how to handle and solve problems himself."

Need Some Risk of Error

"We should not expect a man to be a self-starter if he is shackled with requirements for approval and clearance of everything he does. I do believe that no buyer can function properly without assuming the risk of error."

Moffitt labeled "integrity" as a quality vital to all others. "The social responsibilities are as significant to good purchasing as the successful acquisition of materials and equipment," he told the P.A.'s at the meeting.

Elaborating on this theme, he offered this advice. "Members of the purchasing team must observe the rules of the game and be above the suspicion of unethical behavior at all times and under all circumstances. A buyer should

have dignity in a pleasant and informal way, be fair and impartial, avoid compromising situations, and rely on a sense of what is right rather than merely whether it is legal or illegal. Actions must not only be right but must look right to society."

Moffitt noted in his talk that "our friends across the desk, the salesmen," are constantly researching the art of human relations in an effort to discover "subtle" ways to influence our buying. He cited greater use of emotional appeals in industrial advertising as one of the "currently popular" approaches of manufacturing companies toward building sales.

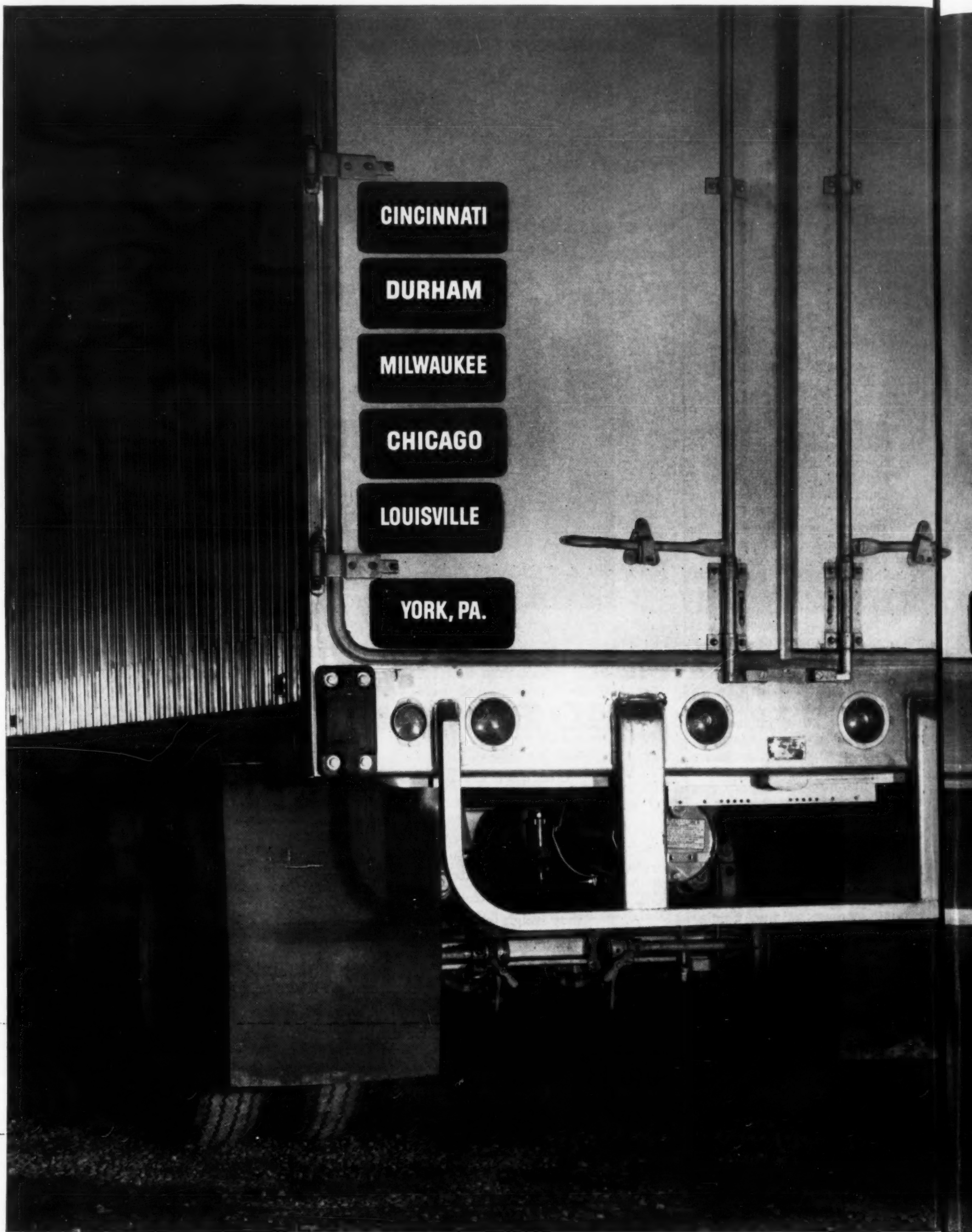
Improving Management Techniques Discussed for New York P.A.A.

New York — Importance of improving management techniques was stressed at the April 15 meeting of the Purchasing Agents Association of New York.

Clifton E. Mack, associate commissioner of the General Services Administration, Federal Service Supply, was the guest speaker at the dinner meeting. Mack pointed out the need for developing the full potential capacities of each individual to do a better buying job.

A general forum, preceding the dinner, was led by Dr. John W. Sullivan, American Iron & Steel Institute. In considering the topic, the evolution of standardization, Dr. Sullivan presented several case histories, the legal and technical problems involved in development of standards in the steel industry, and traced their solution into acceptable form and industry adoption.

A color film, "Cost Reduction Through More Effective Buying," was shown.



Purchasing Agents Warned on Legal Pitfalls

Toledo—Some of the legal pitfalls that await the unwary or careless purchasing agent in dealings with salesmen were outlined April 17 by Lyle Treadway. He is 6th District vice president of the National Association of Purchasing Agents.

Treadway told members of the Toledo Association of Purchasing Agents a salesman does not usually have the authority to bind his company on price and delivery. Under the law, a salesman's capacity is only to solicit orders and convey them to his company. He does not legally make the

sale, his superiors do that. When must a contract to buy be in writing? In Ohio, if the value of the merchandise exceeds \$2,500, an order placed by telephone probably would not be binding. The amount varies according to what state you're in—in some it may be as low as \$500.

Although the authority of ordinary salesmen to make warranties binding on his company is limited, the higher his rank, the more authority he has.

Also, Treadway pointed out, if it can be proved that, for instance, the route salesman's supe-

rior authorized the salesman to make a statement as to performance, delivery, or price of the product then that statement might be held as legally binding as if the superior made the statement himself.

Treadway advised purchasing agents to acquaint themselves with the Uniform Sales Act which sets up the rights and obligations of buyers and sellers and establishes standards for the country.

"Although it's always wise to get it in writing," he said, "that is no airtight guarantee that trouble won't crop up."

H. R. Grabert Nominated To Head Denver P.A.A.

Denver—H. Robert Grabert, purchasing manager for Eastman Oil Well Survey Co., has been nominated for president of the P.A.A. of Denver.

Ernest Waters, purchasing agent for Colorado School of Mines and retiring president, was nominated as national director.

Other nominees, to be acted on at the mid-May meeting, are vice president, J. B. Turtle, Ideal Cement Co.; secretary, C. W. Manning, Climax Molybdenum Co.; and treasurer, Vincent J. Wagner, Central Electric Supply Co.

P.A.'s Advised To Keep Smiling

Boston—A nine-point program to promote good public relations for purchasing agents included the old adage "keep smiling—it doesn't cost anything."

Martin Sheridan, director of information and publications for



MARTIN SHERIDAN

the New England Council, discussed "The Other Side of Public Relations" at the April meeting of the New England Purchasing Agents Association.

He told the New England P.A.'s to:

1. Have a sincere desire to please.
2. Try to smile—it doesn't cost anything.
3. Treat your associates and the salesmen who call on you as you would want to be treated.
4. "Please" and "Thank You" and other examples of good manners are invaluable in public relations.
5. Be a good listener.
6. Develop good telephone manners.
7. Don't argue.
8. Be punctual in appointments.
9. Keep your troubles to yourself.

Sheridan pointed out that, "Any business is a creature that lives or dies by public opinion. Public relations, therefore, is a critical part of any business. What you say, what you do and how you act reflects on you and on your company."

He asserted that each purchasing agent is a public relations representative of his company. "The people with whom you come in contact form their opinions about your company and its products or services after seeing you in action," he said.

Kalamazoo Valley P.A.'s Conduct Joint Session

Kalamazoo—The Kalamazoo Valley Association of Purchasing Agents held a joint meeting April 8 with the Kalamazoo Sales Executives Club.

Carlyle Emery, former advertising executive, in speaking on advertising and business, stated that one of the responsibilities of industry was to make more for less so more people can buy their products.

A. P. Stratton gave the purchasing executives a very broad survey of local business conditions. It reported that prices were holding the same, employment is up, production is higher, and the backlog of orders is greater.

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Foreign Perspective

APRIL 28-
MAY 4

London—Pressure is mounting here for more free world commodity pacts.

The reason isn't hard to find. As prices of raw materials continue to sag, more and more primary producing countries are running into financial crises.

So you can expect to see them favoring schemes whereby some stability can be restored to their trade. Commodities frequently mentioned are rubber, cocoa, copper, and tea.

To spot the trend, keep an eye on what British Commonwealth statesmen say in advance of their autumn pow-wow in Montreal. Remember, Commonwealth trade policies always tend to have a major influence on world commodity trends. And some pretty significant decisions are going to be taken at the coming trade talks.

One hint already has come from Trade Minister McEwen of Australia. In mid-April, he announced that his government might press for the formation of a new world trade organization to help stabilize production and prices of price-sensitive primary commodities.

Rio de Janeiro—Brazil, taking a lesson from its Yankee neighbor to the North, is starting up its own "junior" Export-Import Bank-type fund.

The first experiment in this type operation covers aid to Bolivia. It involved Brazil's opening up of an 800-million cruzeiro (around \$8-million) credit for Bolivia.

Bolivians may now draw on the 800-million cruzeiros credits to buy machinery, construction material, and other necessities for industrial and commercial expansion.

But the credits are good for purchases of Brazilian machinery and equipment only. That's very similar to the way the U. S. Export-Import Bank operates.

Brazilians are watching this junior Eximbank setup with keen interest. If it works, more deals might be opened up with other South American neighbors.

New Delhi—A building race is on here between the Russians and the West Germans.

The goal: to commission the first blast furnaces at Bhilai and Rourkela respectively, where both are building 2-million-ton steel plants.

This prestige battle now is being watched by the whole of India. But knowledgeable steel circles, not particularly interested in the propaganda aspect of construction, affirm that when completed the Rourkela plant will be the "most spectacular" both in conception and in the products it manufactures.

India also admits that the "question of foreign collaboration in erecting another steel plant also is under examination. United States interests, originally shy, now are evincing new enthusiasm." This plant, to be set up under the third Five-Year Plan, starting 1961, is slated to go up in or near Bokare in the Damodar Valley Corporation (DVC), West Bengal state.

Belgrade—To become less dependent on both East and West, Yugoslavia is aiming for a big increase in mining. Copper and coal are spearheading the drive.

Copper optimism is based on new discoveries. Providing surveyors and mining experts have not slipped up, the Majdanpek area of Yugoslavia promises to become one of the country's leading suppliers.

At the moment, equipment to handle some 12,000 tons of ore daily is being installed. It is hoped that by 1961 the plant will be giving an annual yield of at least 25,000-tons of pure copper.

Coal mining is also being stepped up.

Aiding this drive is

- (1). improved mining facilities,
- (2). better equipment, and
- (3). a larger coal yield due to the opening up of new seams.

Bonn—The German auto boom continues unabated.

During the first three months of this year, German automotive industry produced 373,231 vehicles. That's 25.5% more than during the corresponding period of 1957.

Exports enjoyed an even bigger increase of 32.2% to 184,961 units, with a majority of them ending up in American showrooms.

Biggest production increase of 46.7% was listed by station cars which accounted for 30,329 units. Production of normal passenger cars rose by 29.8% to 297,796 units with the lion's share of the increase due to small and medium-sized cars.

Malaya to Give Price Explanation

Kuala Lumpur, Malaya—Hoping to find a way to stabilize prices, the Malayan Federation Government will give the next meeting of the International Rubber Study Group a detailed explanation of why rubber prices fluctuate so unpredictably. When it meets in Hamburg, West Germany, next June, the Rubber Study Group is expected to devote much time to the problem of price stabilization.

The Malayan government would like to see rubber prices stabilized because then it would be in a better position to forecast its annual revenues.

A representative of the government has been in Great Britain and the United States recently researching the causes of price fluctuations. The data compiled by this official will form the substance of a "treatise" to be handed to the Rubber Study Group at its June session.

The document is not expected to propose price stabilization measures. But the government hopes that the Rubber Study Group will assess the Malayan findings and recommend stabilizing measures.

Wool Growers Seeking Auction System Change

Melbourne—Wool growing interests here are urging a change from the existing system of wool auctions to an organization similar to the Australian Wheat Board. Observers claim the auction system ups the price of wool because of large profits made by speculators and middlemen.

The proposed board could fix a firm price every three months according to type, count, and yield. The wool brokers could then become receiving agents for the board.

Another proposal is establishing a floor and ceiling system to eliminate wide price fluctuations which put wool at a disadvantage with competitive fibers. However, sources believe it unlikely that the government will make changes before the federal elections sometime in the second half of 1958.

Rutile, Zircon Makers Seek Freight Rate Cut

Melbourne—With Australian producers of rutile and zircon feeling the pinch, new demands are heard for cuts in shipping freight rates for exports.

Reductions of up to 30% on current rates are sought. Freight rates were substantially increased in February, 1957.

New South Wales producers also are seeking relief in the rate of royalty payable to the government on mineral sand production. Reduction in the rate to reduce Australian costs and restore profit to the ailing industry is being sought.

Reds Claim Oil Lead

Vienna, Austria—A Russian state planning official claims the U.S.S.R.'s oil processing capacity exceeds that of Great Britain, France, West Germany, and the

Netherlands. Russia plans to increase crude oil production during the next 15 years to 345 million metric tons.

Argentine State R.R. Orders U.S. Rolling Stock

Buenos Aires—The Argentine State Railroads Enterprise has placed orders with U. S. firms for \$4.8 million worth of rolling stock.

American Car & Foundry Division received an Argentine order for 287 wide-gauge cars worth \$3,177,000 and 34 medium-gauge cars worth \$382,000. Magor Car Export Corp. will supply 119 narrow-gauge cars worth \$1,238,000.

The Argentine purchase is financed with the help of the \$100 million Export-Import Bank loan granted last year. Delivery will be from one to two years after contract signing.

Galvanizing Flux Available in Canada

Montreal—A new galvanizing flux, "Galvac," is now available to metal processors in Canada.

The product, offered in two grades—low foaming and full foaming—is made by Chemicals Division of Canadian Industries, Ltd.

Chinese Bargain in Italy

Milan—A Red Chinese mission visited Italy recently, talking up trade possibilities with government and industry. The Chinese were said to be offering agricultural products, light industrial goods, and mined materials.

Bonn Has Export Surplus

Bonn—West Germany had an export surplus of \$214 million in the first quarter of this year. The value of exports in this period amounted to \$2.04 billion as compared with \$1.998 billion during the first quarter 1957.

Yugoslavia Buys Diesels

London — F. Perkins, Ltd., Peterborough, has received an order for 3,050 diesel engines from Yugoslavia to be shipped by the end of the year. Since 1955, Perkins has fulfilled orders totaling \$1.5 million from Yugoslavia.

British Steel Drops in Output

London—Less domestic demand together with increasing export difficulties are pushing British steel production down. Figures published by the Iron and Steel Board show that Britain's steel output in the first three months of this year was 1% lower than in the corresponding period of 1957.

The Board predicted last month that in the first half of 1958, home demand for steel would drop by 5%, but that towards the end of the year there would be an upturn in demand by public expenditure schemes.

Main reason for the fall in production is lower demand for steel tubes and light bars from the construction industry, which has reported decreasing earnings this year. But the automotive, shipbuilding, and consumer industries are continuing to take all the sheet steel they can get.

With the recent price cuts announced on the continent, the British steel industry finds competition in export markets much keener.

Steel imports, however, have fallen substantially. And with imports of pig iron and scrap falling off sharply, the Iron and Steel Board was able to cut its prices last month for the first time in 20 years.

The industry is now waiting to see if these price cuts will stimulate a new world demand for steel.

British Firm Produces New Rubber-Like Foam

London—A new rubber-like foam material said to be cheaper, lighter, and stronger than latex foam is being produced by Britain's Dunlop Rubber Co., Ltd.

Dunlop says the material, made of polyesters and diisocyanates, has "great possibilities" in the aircraft industry because of its strength and lightness.

British Firm to Expand

London — Northern Aluminium Co., British subsidiary of the Canadian company Aluminium Ltd., is planning a \$28 million expansion program over the next four years.



"I haven't seen equipment like this since I worked in the junk yard."

County Forms Purchasing Unit

California Board Sets Buying Regulations, Centralizes Efforts

San Francisco—An ordinance which spells out county purchasing procedures has been approved by the Board of Supervisors of Contra Costa County, Calif.

The measure, which establishes the office of county purchasing agent and sets forth his duties, is described as "an ordinance providing for centralized control over the expenditures of county funds for supplies, materials, equipment, and contractual services, for the application of modern methods to such expenditures and for better utilization of articles procured at public expense."

Its approval stems from a law passed last year by the state legislature requiring all tax-supported agencies to write their purchasing practices into law.

The new ordinance permits the county P.A. to buy goods or services without inviting bids. However, he must report to the county administrator if he buys an item costing more than \$5,000 without getting bids or quotations and, in cases where he does invite bids, if he accepts a bid other than the low bid on items over \$500.

C. W. Hornback, county purchasing agent, says the measure will not make any significant change in present purchasing practices—it just "puts them in black and white." Purchasing has been handled in the past on a centralized basis, he added.

N. Y. State Natural Gas Seeks Lake Erie Source

Erie, Pa.—New York State Natural Gas Corp., Pittsburgh, is about to open the first offshore gas and oil drilling explorations on the Pennsylvania portion of Lake Erie.

The gas firm has leased two tracts on the lake totaling 35,710 acres from the State Forest and Waters Department for the wild-cat operation which starts April 30. A portable pontoon rig has been especially designed for the search by Dravo Corp., Erie, similar to those used on the Gulf Coast.

The state of Pennsylvania will receive \$90,905 annually for drilling rights and 12% of the field price of any natural gas or crude oil wells brought in.

A state official said if a strike is made, additional acreage will be offered for bid to companies giving the Commonwealth the best royalty deal.

New York State Natural Gas said it hoped to have the first well drilled by June 30. Ohio, New York, and Canada all have successful producing wells on their portions of the lake.

U. S. Bureau of Mines Forecasts Crude Oil Dip

Washington — The United States Bureau of Mines has forecast a further decline in the demand for crude oil in May. The estimate for next month puts daily U. S. consumption some

180,000 bbl. below April. That's a decline of close to 3% from month to month, and an 8.5% dip from May, 1957.

The bureau also expects a decline of 45,000 bbl. daily in crude oil imports. Imports of refined petroleum products will drop 12% below April to 440,000 bbl. daily.

Total crude runs will drop some 200,000 bbl. daily below the expected April average. That represents a month to month decline of almost 3%.

The Bureau indicated that total domestic demand for crude oil during the first-quarter of the year was unchanged from the similar 1957 period.

Chile Asks U.N. Halt To Copper Price Changes

United Nations, N. Y.—Chile wants the U. N. Commission on International Commodity Trade to establish an international agency to prevent violent fluctuations in copper prices on the world market.

Because copper is of prime importance to its economy, Chile asked consideration of its proposal on an urgent basis at the U. N. group's meeting here May 5-16.

The U. N. trade commission was established by the United Nations Economic and Social

Council to facilitate inter-governmental consultation on commodity problems.

The commission was told that sharp variations in prices had seriously affected Chile, which exports some 400,000 tons of copper a year, accounting for about 60% of its income. Chile also said the variations posed a serious problem for world producing and manufacturing.

A.M.A. Small Business Forum May 14-16

New York—Solutions to special management problems of small businesses will be aired at

American Management Association's first Small Business Forum, May 14-16.

Subjects to be covered include federal tax law changes and their probable effects on small business, legal pitfalls of product pricing, establishment of a workable cost reduction program for the small company, building an over-all budget system, and how to develop accurate inventory controls.

How a small company can initiate and maintain a new product development program as well as getting positive results from marketing and getting the most out of a prospective merger, also will be discussed.



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Today's P.A. Is Too Important to Bypass

One of the things business consultants pride themselves on is being completely up to date. It came as a surprise, therefore, to learn of a consultant being so behind the times as to urge delegates to the recent meeting of the American Zinc Institute and Lead Industries Association to bypass purchasing agents in their selling efforts.

On the one hand, the Association establishes a research program to "appropriate new knowledge, new products, and new uses—all aimed at increasing world wide consumption of lead and zinc." And then, at the very same meeting a consultant urges members, in effect, to forget about the purchasing executive.

The purchasing executive will be a key man in the success or failure of the lead-zinc research program. If the Association's plans to develop new uses for lead and zinc are to bear fruit, then we would strongly urge the committee members to check the facts before accepting the consultant's advice:

"By the time it reaches the purchasing agent, an item is merely reviewed for cost and availability. The purchasing agent assures the designer or engineer has fully considered the problem of a suitable material and has resolved it to his satisfaction."

Today's purchasing agent does not make any such assumptions. He gives guidance to designers and engineers. Designers and engineers are important to the purchasing executive; the purchasing executive is important to them. Both are important to a successful company.

We hope, and feel sure, members of the American Zinc Institute and Lead Industries Association recognize this fact.

"Breathes there the man with ideas so dead
who never to himself hath said"

'My Boss Doesn't Understand Things'

"My boss needs a lot of educating.

"He doesn't have the slightest idea of how a purchasing department should be organized and run.

"He doesn't know how hard I work or that I need two more assistants.

"He doesn't know that I saved the company \$45,000 last year on one purchase of pipe alone.

"He hasn't the least idea of what a good buy is.

"He doesn't keep abreast of the new processes that even I know our company could use.

"He is unfamiliar with the many new products coming on the market.

"He never suggests that I go to meetings. If I do go, he doesn't ask me about what I learned. In fact, I don't even believe he knows that I exist.

"Do I ever offer to tell him about these things?

"Don't be silly. If I did, he would know about them."

*With apologies to Sir Walter Scott from the Lay of the Last Minstrel.

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Research Which Ignores P.A. Can Strangle an Industry



Your Follow-Up File

Make or Buy Is Big Question

Elyria, Ohio

If you can do so, we will appreciate your informing us of the policy or formula generally recommended for use by manufacturers in making a cost comparison when deciding whether to buy or make a production item.

We refer to items which their shop has the facilities to manufacture and the problem is only one of cost. In other words, when does it pay to buy instead of manufacture even though you have all the facilities necessary to do the manufacturing?

Some no doubt decide to manufacture if their own cost is not more than say 10% higher than a vendor's quote. Others may add some overhead to the vendor's quote to cover purchasing, expediting, receiving, etc., and then make a comparison.

This would be a cost accounting or cost analysis problem, and perhaps there is no standard method established. More than likely each manufacturer uses a slightly different method. Nevertheless, we will appreciate learning the method generally used by medium sized and large companies which have given the matter enough thought to have worked out a sound policy.

What we are particularly anxious to learn is what other companies are adding as overhead or burden to purchase cost before using these costs for any purpose whatsoever. Any information you can obtain for us will be greatly appreciated.

H. L. Westring

Bendix-Westinghouse Automotive
Airbrake Co.

• Can you help this P.A.? P.W.
will carry article on this subject
shortly.

Finds Legal Check List Helpful

Cleveland, Ohio

I would greatly appreciate your sending me 10 copies of page 18, "Check the Legal Angle Before You Buy," as found in Vol. 1, No. 15, of PURCHASING WEEK (April 15). I feel that this would be good for each of our key purchasing people to have on hand.

James A. D'Orosi

Manager Materials

Lamp Wire & Phosphors Department
General Electric Co.

Seeks St. Lawrence Data

Yellow Springs, Ohio

As part of a senior project, I am doing a study of the effects of the St. Lawrence Seaway upon the economy of Ohio.

It has come to my attention that you had an article titled, "Seaway Will Link Lake Ports With World," dated Jan. 6, 1958.

I would appreciate it greatly if you would send me a copy of this article, if possible, and any other information that you might have on the subject.

Fred Fields

But Who Made the Tape?

Boston, Mass.

In your April 14 issue you had some applications for pressure sensitive tapes illustrated ("How to Use Pressure-Sensitive Tapes," page 16).

We are particularly interested in the high temperature tapes and the packaging of transistors.

Would you please advise the tape company whose tape was used in these installations?

Norman F. Hunt

Manager

Industrial Paper Division

Andrews Paper Co.

• If you're interested in the manufacturer's name too, drop us a note.

Sorry, We Missed Clevite

Boston, Mass.

In your March 24 issue on page 22 appears an interesting feature headlined, "Electronics Industry to Increase Transistor Output to 80% by '67."

However, we have noted omission of Clevite Transistor Products in the bold-faced concluding paragraph, despite the fact that this company is invariably listed among the leading five manufacturers of transistors.

Modestino M. Vitale

Public Relations

Chambers Wiswell Shattuck Clifford
& McMillan, Inc.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously. Follow-Up File, PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

PURCHASING WEEK Asks You . . .

What are the proper relations between the purchasing agent and the engineers?

Question from: H. F. Rucker, Purchasing Agent
Foster Bros. Mfg. Co., St. Louis, Mo.



R. O. Keefer
Aluminum Co. of America, Pittsburgh

"Engineers are men who can do with one dollar what any darn fool can do with two dollars." This flip, sophomoric definition appeals to purchasing agents because it ties in with their proverbial 'Scotch' nature. Engineers enjoy cooperating with their purchasing departments because they've discovered capable purchasing specialists can help keep costs down. They've also learned that designs should incorporate every advantage obtainable by intelligent purchasing. Thus, the functions of the two departments are complementary and supplementary."

H. C. Brown
Joy Mfg. Co., Electrical Products Division.
St. Louis, Mo.

"Today, manufacturing is a science built around good design and engineering, simplified production methods, and practical buying. A close working relationship between the purchasing agent and engineers must be maintained at all times. A direct line of communications provides a liberal education for both if they are ready to accept and make use of it. One complements the other in the final results—a product of superior engineering and quality—at a competitive selling price."



H. C. Webster
Continental Can Co., Inc., Paterson, N. J.

"The knowledge that each has specific duties to perform, together with the respect and understanding of each other's job requirements, is the first consideration. Close cooperation when developing project costs; determining the proper types and availability of materials, vendor facilities and services; and the elimination of 'back door' solicitations all contribute to this end. Team spirit and the feeling that 'we've got to do something about it to make it count' will create the understanding necessary for a solid harmonious relationship."



S. J. Futty
The Osborn Mfg. Co., Cleveland

"There is a very definite tie-up between engineering and purchasing. In our company, so far as I am concerned, there must be complete cooperation between the two because it is an undisputable functional setup. It is extremely important that we respect, as well as follow up, any engineering requests. In our buying no changes are made without written approval from the proper authority in engineering, which applies against inquiries as well as actual purchases. Unless a purchasing department functions along this line, serious errors can occur and at times could be very costly."



L. L. Wilcox
General Processing Corp., Quincy, Mich.

"I firmly believe there should be strict cooperation between the two. If this is not the case the purchasing agent is in the dark, often until the last thing. Then, all at once the requisitions start pouring in on something entirely new and that you are not too familiar with. Therefore, if both had been in the know, it would help a great deal in preparing for running down these new items. Likewise, the purchasing agent should keep the engineering department informed on what is available and when, and things will run smoothly."



R. B. Walworth
Electronics Communications, Inc.
St. Petersburg, Fla.

"It has to be one of mutual cooperation, respect, and understanding. Many companies, in the past, have been confronted with backdoor selling in which suppliers contacted engineering rather than procurement. Purchasing, on the other hand, has been most adamantly opposed to such methods. However, it is highly possible that the front door is so secure that it leaves only the backdoor easily accessible. The purchasing agent must take steps to eliminate the above possibility."



How to Get More Out of Purchasing Week

Price News Is a 'Must' for Purchasing Men

It is practically impossible to find a purchasing man who is not interested in prices. One of the factors that makes a purchasing executive good is his knowledge of prices and their trends. That is why PURCHASING WEEK gives prices such close attention and so much space.

For the purchasing profession it is regrettable that this publication did not start two years sooner. If you will look at the "Purchasing Week Industrial Materials Price Barometer" on page 2, you will notice that prices hit their peak in December 1955. Since then with some minor fluctuations they have been falling steadily.

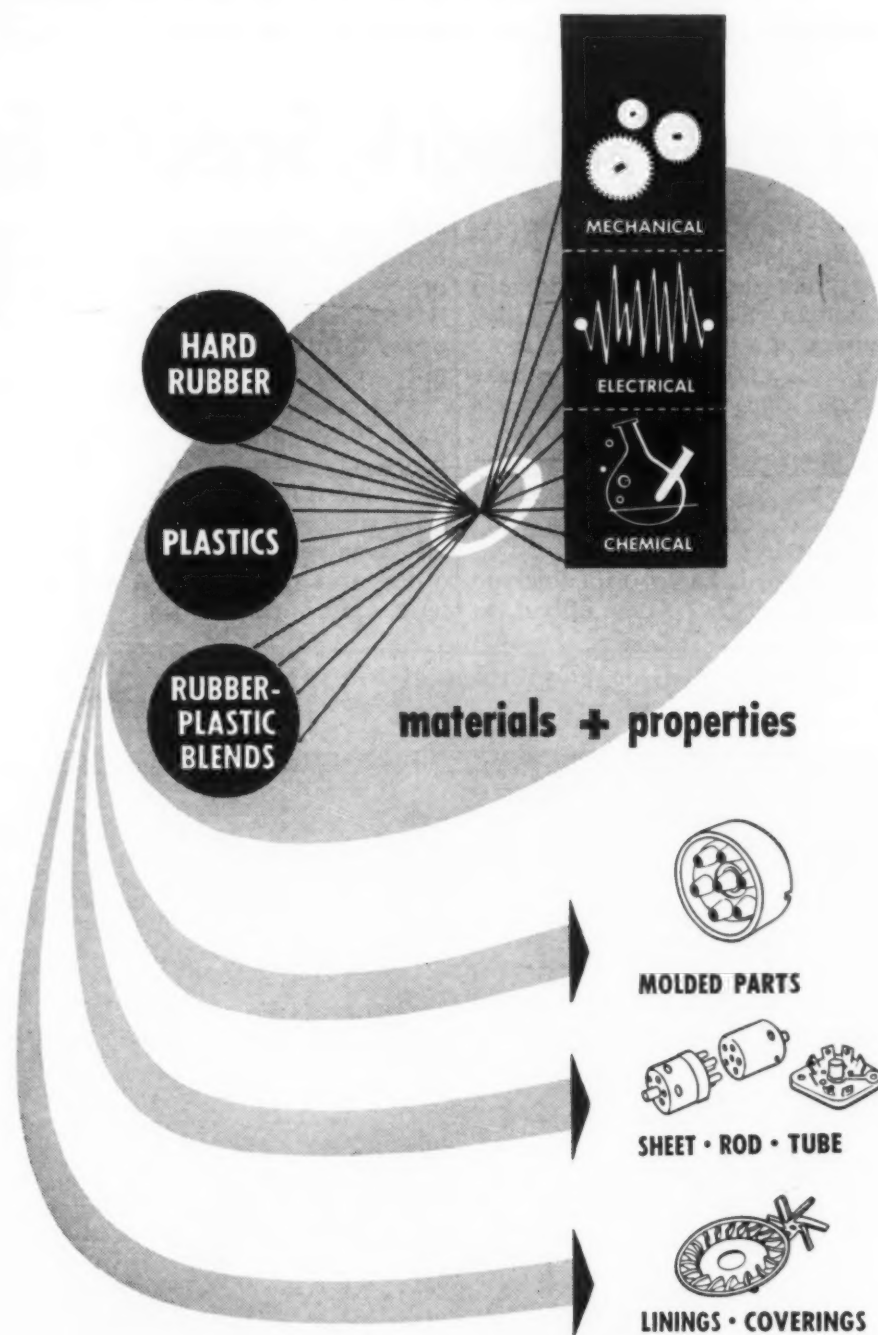
This decline signalled the recession almost 18 months ahead. Keep your eye on it. When it starts turning up, better times are coming.

Another price feature of P.W. is "This

Week's Commodity Prices" on page 2. These are prices of commodities considered basic to our economy. They influence the price of thousands of finished products. But more important than the prices are the changes in them; these changes determine the trend.

When these prices are going down, at least the prices of finished goods are not likely to go up. When they are going up, prices of finished goods are just about guaranteed to rise.

Commodities prices are only one of many factors in determining the price of finished goods. Others are supply and demand, labor, transportation, government controls, etc. In the present recession the effect of these has been to offset the decline in commodity prices—a paradox that has discomforted some purchasing men.



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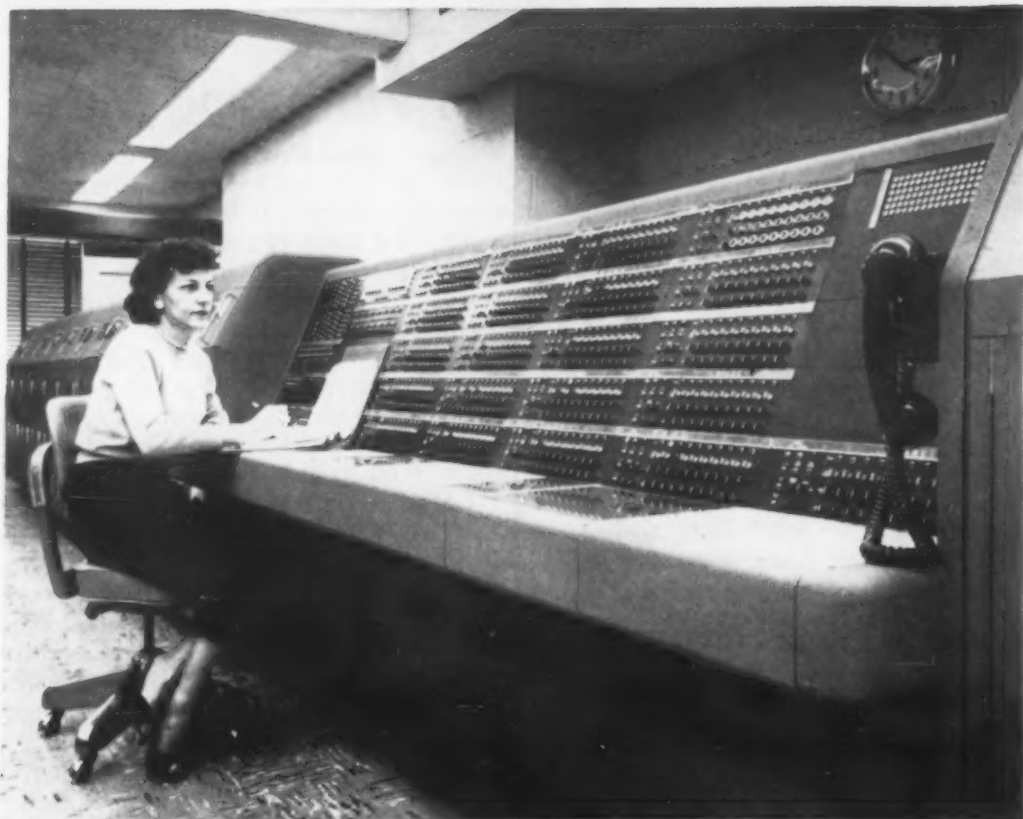
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When Automation Took Over (Control Panel Above) at Republic Steel . . .



These Are Some of 33 Order Forms That Were Discontinued.

Teletype Network Speeds Steel Ordering

Cleveland—With steel customers paring inventories and giving less lead time on orders, quick delivery has become a key issue in steel purchasing. P.A.'s may make inquiries of a half a dozen or more steel producers, and delivery time may well be the deciding factor on which gets the order.

Republic Steel Corp. says its high speed order processing system, in development for over a year, has been "converting inquiries into orders."

The new system is based on a teletype network linking district sales offices to

centrally situated centers where customer's inquiries are answered and orders processed. Special keyboards on the teletype machines allow duplication of mill order forms, shipping schedules, shipping notices, control records, and invoices.

Operated by electronically punched tape, these machines transmit mill order forms complete in every detail to mills the same day they are received at district sales offices. As much as a week formerly was required between receipt of an order and scheduling at the mill. The tape, after transmitting the orders is

stored for reuse when the customer re-orders the item.

Crucible Steel Co. is using a central computer section in Pittsburgh to keep an inventory of all warehoused items by location. Any warehouse in the country can feed a request by teletype to the computer section and within two or three minutes find the nearest required quantity and type of steel requested by the customer. The computer can compile a stock list in two hours instead of the four days formerly taken.

The installation by Republic is another example of the growing use of automation in office work.

Stainless Steel Plant Opens

Reading, Pa.—Carpenter Steel Co. has established a new producing and shipping point for its stainless steels at Bridgeport, Conn. The company is producing its steels at its recently acquired subsidiary.

Gregory Buys J. D. Polis Mfg.

Toledo — Gregory Industries, Inc., manufacturer of Nelson stud welding products, has acquired the J. D. Polis Manufacturing Co., Chicago, manufacturer of Bulldog self-drilling expansion anchors and other fasteners used in concrete building construction.

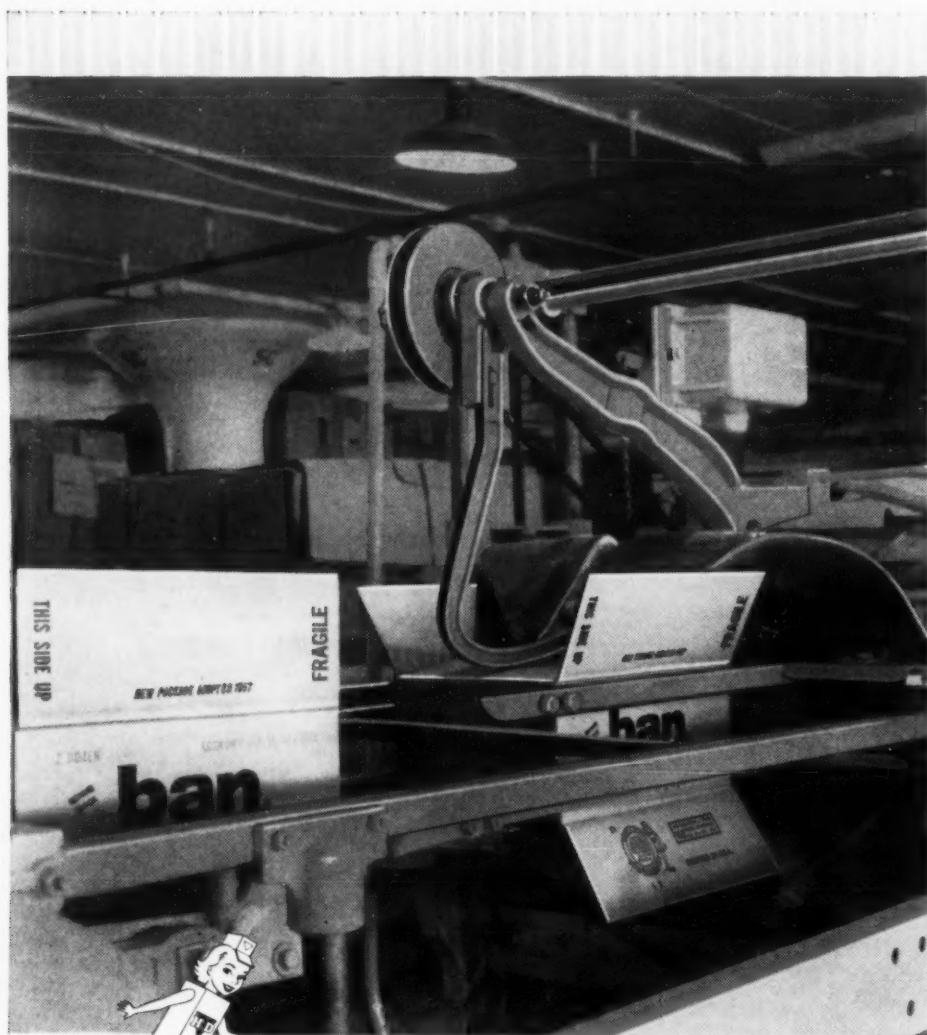
Plans Testing Laboratory

Denver—Rocket-Valve Corp., engaged in designing and making low temperature valves for missiles, atomic aircraft, and the oil industry, plans to invest more than \$500,000 this year for equipment for a testing laboratory and machinery.

Securities and Exchange Commission is probing reasonableness of a 13% rise in commissions on N. Y. Stock Exchange.

Forest Products Gets Plant

New York—Olin Mathieson Chemical Corp.'s Forest Products division has leased on a long-term basis the former plant of Lunkenheimer Co. in Cincinnati. Plant will be remodeled to produce corrugated containers, and production is expected to begin about the middle of the year.



Ban rolls on...Bristol-Myers Ban boxes move smoothly through automatic sealing equipment that would balk at $\frac{1}{16}$ " dimension variation. Need precision made boxes? Better see H & D.

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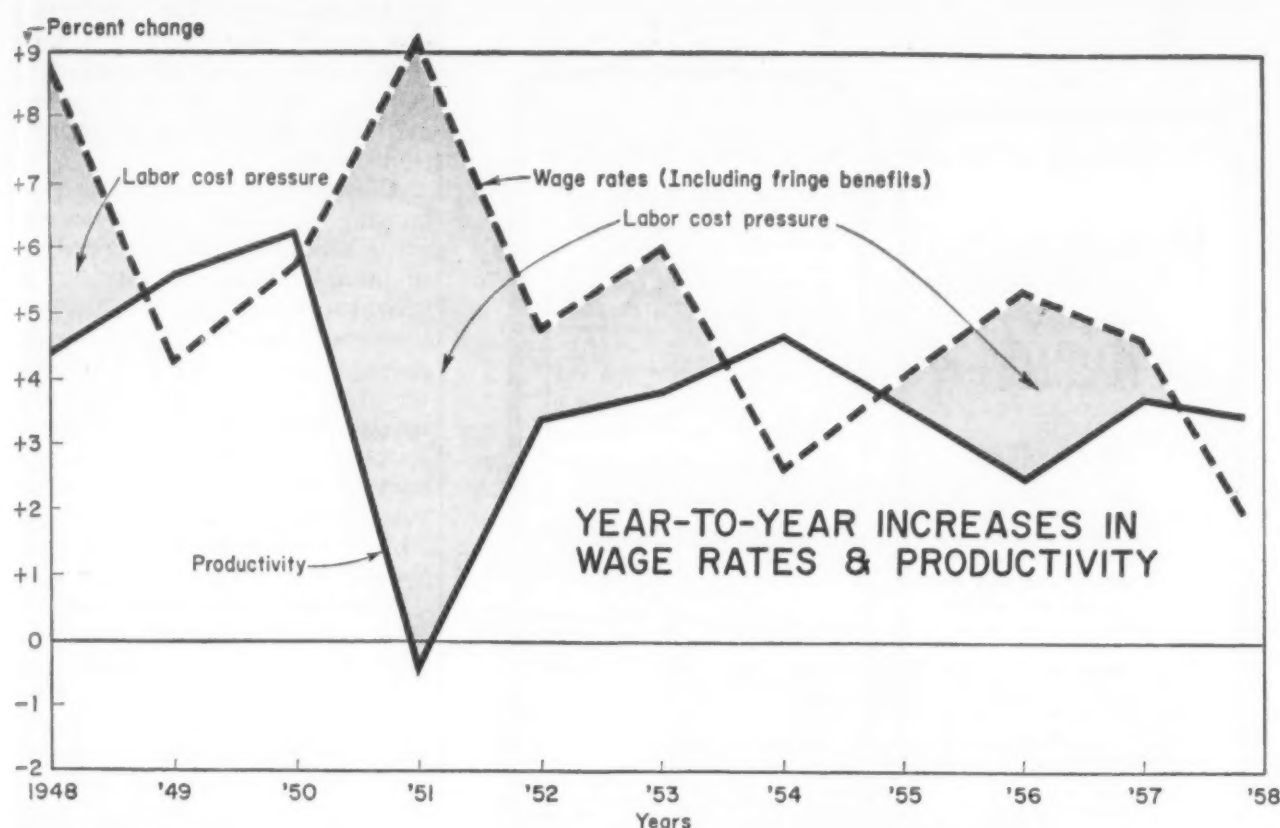


CHART II—Productivity and wages are in an eternal battle; top position is always shifting.



CHART III—Unit labor costs and wholesale prices are closely related.

Productivity Provides Good Price Indicator

Steadily Rising Productivity Enables Manufacturers to Absorb Some of Other Rising Costs and Helps Hold Inflation in Check; In First Quarter Increase Was 3.5% above Year Ago; Unions Use Index in Bargaining

New York—Productivity (output per man-hour) seems to be the one barometer not affected by the current downturn. PURCHASING WEEK estimates for the first quarter 1958 put productivity of production workers in manufacturing some 3.5% above year ago, close to the postwar average.

It's an important fact to keep in mind. Productivity is a basic ingredient in every price equation. Leave it out, and it's pretty difficult to get a well rounded picture of what's ahead, price-wise.

It's an indicator that the management-oriented purchasing executive can't afford to ignore. It's an equal with other price factors, like supply, demand, wage costs. All are "musts" and, as such, must be given adequate weight in your calculations on future price trends.

Another way of looking at it: The prices you'll be paying next month and next year are to a large extent dependent upon today's productivity trends. And maintenance of current productivity advances could go a long way toward arresting any incipient inflationary trend, particularly if wage increases are kept to modest proportions this year.

Current gains may be the saving grace in the cost-price squeeze faced by many firms today. Where the output-per-man-hour boosts can keep up with labor and other cost increases, they help businessmen hold the price line.

That's because the efficiency advantages gained from increased output per man-hour can then balance out rising bills for labor, material, and a host of other production items.

What Productivity Means

Productivity is a word bandied about by a lot of people today. Government officials, businessmen, and labor leaders all rely on this measure to support and justify their actions. Because it's so significant in policy decisions,

it is important to understand what it is, how it works, and its effects on prices and other key business indicators.

Basically, productivity is a measure of output per unit of labor—how many units a worker can turn out in a given amount of time.

Assume, for example, a worker in one hour turned out two units of a product in 1947. Assume that same worker can turn out three units today. His productivity has gone up 50%.

P. W. estimates shown in the accompanying charts afford a birdseye view of progress made in increasing American output per man-hour.

Long-Term Growth Trend

Chart I depicts the growth over the past 75 years. Based on the rough estimates that were available in the early 1880's and comparing them with the more sophisticated measures available today, we came up with some startling facts:

Each American today is turning out approximately five times as much product as his grandfather did in 1880.

And this is basically the reason why we're better off today. As each worker turns out five times as much product, each worker's family can afford five times as many necessities and luxuries.

Go through any of consumer goods on the market today. Autos, refrigerators, synthetic fabrics, housing—all owe their availability and relative cheapness to the worker's ability to turn out more things with less physical effort.

It's only through productivity that real purchasing power has increased. Unless there's more goods to buy with increased salaries, you're bound to wind up in an inflationary cycle.

Used Widely Today

Since World War II, improved statistics allow us to calculate more precise measures of produc-

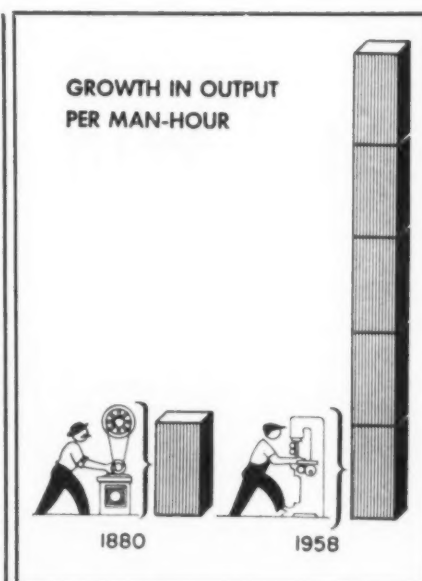


CHART I—Workers are producing five times as much as in 1880.

tivity. More important, these new figures are comparable with price factors, such as wage rates and unit labor costs.

Unions and management have both been quick to seize upon this development. It provides a benchmark, a starting point for discussions in almost all labor negotiations.

Both groups hire big staffs with the sole function of determining productivity for the industry in question.

But because the measuring devices are still not perfect and are open to interpretation, there's room for disagreement. Unions usually claim high productivity gains, management a somewhat lower figure.

Productivity Vs. Wage Boosts

How output per man-hour has stacked up against wage increases in the postwar period is shown in Chart II.

Year-to-year changes in both series are shown. Note that the P.W. wage rate series has been adjusted to reflect fringe benefits; that is, it shows the total labor costs footed by American businessmen.

The chart highlights several in-

teresting developments:

- The productivity gain in manufacturing industries over the past ten years has averaged about 3.8%.

- Labor cost increases have outpaced productivity gains, averaging about 5.6%.

- Year to year productivity gains have shown some variation, with the biggest boosts occurring in recessionary periods.

- Labor cost increases have also shown considerable variation with the smallest gains reported in slump periods.

The implication of these trends has had a far reaching effect on American business. With labor rates outpacing productivity, unit labor costs have gone up. Other things being equal, this tends to raise costs of production.

This "outpacing" effect has been felt in both hard goods and soft goods industries. While hard goods have shown a somewhat better productivity record, wages have also gone up more in this area.

The year-to-year variation in the productivity and wage cost indicators also deserve some mention. Output per man-hour usually rises in a recession because the best equipment and the best workers tend to be utilized. There is less chance of raw material and equipment bottlenecks.

It is also understandable why the rise in labor rates tends to taper off in a recession. Labor unions seem to recognize that a slump period is not the best climate for big wage boosts.

These different movements in wages and productivity are a happy coincidence. In a recession they tend to slow down the rise in unit labor costs, thus easing the cost-price squeeze at a time such easing is most needed.

Note the clear (unshaded) areas in Chart II. Only in the 1948-49, 1953-54, and now (all recession periods) have wage increases dipped below productivity gains.

To some extent, it allows for price cuts that are needed to spur demand. It is another indication

of the self-correcting mechanism of a free enterprise system.

Labor Costs and Prices

As noted above, unit labor costs have risen in the past decade because wage boosts on the average have outpaced gains in output per man-hour. The actual behavior of these unit labor costs is shown in Chart III. General wholesale prices are also shown in the same chart.

Note the correlation between these two series. When unit labor costs slowed down in 1949 and 1954, price rises also were arrested.

Over the past decade the relationship has been quite close. Today, because wages have outpaced productivity, unit labor costs are up 16%. It is more than a coincidence that wholesale tags are up roughly about the same amount, 19%.

Unit labor costs are an integral part of the total cost structure and hence total price. Even your material costs are to a large extent based on the labor costs of your suppliers, the amount depending on what percentage of total cost their labor accounts for.

The same goes for equipment. The cost of the machinery you buy is largely influenced by the labor that went into the production of the machine.

It all adds up to this inescapable fact: As unit labor costs go—so go prices.

Other Uses

But productivity is a key figure to watch for other than price reasons. As noted above, our standard of living is basically a reflection of gains in output per man-hour.

Moreover, technological progress, production, employment, and sales are all intricately tied up with productivity trends.

The interaction of population changes and productivity is particularly interesting. A look at the new population projections indicates that to maintain our rise
(Continued on page 14)

Productivity Provides Good Price Indicator

(Continued from page 13)
ing standard of living, our productivity gains will have to be stepped up.

Here's the reasoning:

- The "middle age" group that makes up the labor force is targeted to decline relative to the population as a whole. In the next ten years non-working population will grow at twice the rate of the working age group.
- This in turn means a relatively declining work force will have to support a larger percentage of children and oldsters.
- Each worker will have to turn out more if the per-capita living standard is to remain in rising trend.

Outlook for Productivity

Long range outlook calls for even bigger productivity gains in the next few years.

• The tremendous sums of money spent by manufacturers in the past few years for new and more automatic equipment will soon be translated into increased output.

• The electronic revolution is finally here. You'll be reading more and more about push-button factories, plants that can accomplish production tasks with just a fraction of their historical work force.

• Office automation is also making giant strides. Huge new time and labor saving calculators are gradually coming within price range of medium-sized firms. Often one such machine can do the work by hundreds of workers.



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Special Skills Still Win Buying Jobs

(Continued from page 1)
executive job recruiters showed employment prospects in purchasing today depend on the man and his field. Purchasing jobs still dot the "help wanted" ads but P.W.'s spot check in a dozen major industrial areas revealed an increasing number of applicants for a below-normal number of jobs.

Job placement experts stressed these points:

- Few jobs are open for applicants with little or no buying training. Firms with openings stress buying experience and special skills.
 - Demand runs fairly high for purchasing applicants with electrical engineering background or special skills in the electronics field.
 - Many firms fill purchasing posts by promoting from within.
 - A number of top-level purchasing posts are going begging or are taking six months to a year to fill because management is seeking a hard-to-get "tailored" man with highest personal, administrative, and experience qualities.
 - Recession cutbacks have hit hardest at the lowest job levels in the \$400-\$700 a month brackets. Mergers and consolidations also have taken their toll.
 - Most jobs open are at the lower "staff" level. But agencies in New York and Pittsburgh report demand for upper-bracket posts commanding salaries in the \$10,000-to-\$18,000 or up range.
- A Boston employment agency about two weeks ago was looking for a purchasing agent earning about \$6,500 a year to fill a \$10,000 vacancy.
- That pleasant opportunity for someone seemed to typify the response of job recruiters asked about P.A. job opportunities in

the Boston area. "Excellent" was the word used by a representative number of top executive employment agencies.

Boston area P.A. jobs appear mostly in electronics and allied fields. Employing firms seek personnel in brackets ranging roughly from \$6,500 to \$18,000 a year.

New York City agencies queried stressed their need for "good" applicants for top-echelon purchasing men.

Noting that non-defense firms look askance at P.A. applicants from defense industries, the Tobinson Employment Agency in New York City said its purchasing opportunities now are mostly in the \$10,000 to \$18,000 bracket. "And we are having a difficult time filling them."

Monroe Lipton, Dunhill Employment Agency, said he has a number of top purchasing jobs

open right now but is having a hard time locating acceptable candidates. He blamed this on companies "looking for too many specifics . . . a man with a wide range of experience who is also a specialist. He must have 20 years of solid purchasing experience but can't be older than 35. How can you fill a job like that?"

Dunhill's job listings—in the \$10,000-to-\$15,000 range—are in the electronics, nuclear, and machine tool industries.

Harold Mead, Employment Director Metropolitan (N. Y.) Purchasers Association predicted, "It will not be many more months" before the present lull in employment activity will change. Purchasing personnel will be needed, he said, to cope with new production programs.

Here is how P.A. employment opportunities are viewed in other cities:

Employment Man Discusses Purchasing

Philadelphia—One of the biggest executive job-finding agencies in the East believes the "real importance of purchasing administration in today's industrial operation is all too frequently unrecognized."

William H. Megary, executive director of Buttrick & Megary, told Purchasing Week how several large companies asked the Philadelphia agency in recent months to find replacements for their top purchasing executives.

The firms were unable to provide their own qualified candidate. "We had difficulty in each case finding the 'tailored' man with the broad experience, administrative and personal qualities that our client companies were seeking," Megary said.

"From my experience over the years this is attributable to the failure on the part of top management of many companies to give adequate recognition to the importance of the purchasing function and to provide the organization building within the purchasing operation that they recognize is of such importance in other areas of management."

This apparent lack of top executive purchasing talent also can be attributed to the fact that purchasing has not yet been sold as a career at the college level, Megary said.

Atlanta—Few job applicants and fewer jobs listed. Agencies here believe most companies in Atlanta area fill vacancies, especially top level, by inside promotion system.

Chicago—Job market for purchasing personnel has tightened up in recent months, particularly in metalworking industries. A spokesman for one of Chicago's foremost executive agencies said there are many more P.A.'s looking for jobs today than six months ago, but there are fewer openings. Another agency commented most companies feel "if you can buy a man for \$2,000 to \$3,000 a year less than he's been getting, why not?"

Cleveland—The Bach & McBride agency said the qualifications for the few available jobs in Cleveland area are stiff. Client companies want men with not only general purchasing experience, but with specific job experience. Arthur Bach stressed the age factor: "In keeping with industry's demand for the more experienced person, age restrictions have broadened considerably within the past year."

Dallas—Majority of firms in Dallas area have not been affected by the recession for as long or as seriously as those in other sections of the country. Therefore, there have been no significant layoffs or new opportunities in the purchasing field. Aircraft has been the principal industry affected because of last year's defense order cutbacks.

Detroit—Good job opportunities are practically non-existent here now. An official of the Michigan Employment Security Commission reports P.A. are 400% more available now than a year ago—"they're coming out my ears." Most are in \$650-a-month bracket, but he also notes a sprinkling of \$30,000 a year men.

Los Angeles—Agencies note that purchasing job applicants have increased recently, but roughly in same proportion as other professions. Experience in a special field is a big factor in vacancy requirements. Most job-hunting P.A.'s are in the \$125 to \$150-a-week salary range, but many others range up to \$10,000-to-\$12,000 bracket.

Pittsburgh—Of the "few" employment openings listed, about half are specialized—requiring men with electronics background. Companies seeking purchasing men emphasize experience.

One agency listed two purchasing positions, both paying from \$8,400 to \$16,000 and requiring specialized background in electronics and missiles. Applicants included two men earning \$20,000.

San Francisco—A man with an electrical engineering and purchasing background doesn't need worry about finding a job here. That was the consensus of job experts. However, the general P.A. job situation was described as holding steady with few unemployed P.A.'s listed and few unfilled jobs reported available for those looking.

St. Louis—Job opportunities are limited with applicant list growing. "There's a surplus of purchasing agents in St. Louis," one agency decided after interviewing a flood of applicants for three openings recently.

Firms looking for help stress "people with previous experience." One agency declared: "This is no trainees market."

New Ideas Can Cure Recession, N.A.M. Says in Four-Point Plan

Federal Tax Reform, Government Economy, Curbing Union Monopoly Power Suggested

New York — Businessmen should resume their optimistic outlook and strike out boldly with new ideas, new products, new methods to increase productivity and new sales efforts.

That's one of four positive steps the National Association of Manufacturers believes the nation should take to end the recession. Curtailing operations through fear of recession only aggravates recession, the N.A.M. said.

Urging prompt and effective action to "encourage a return of full prosperity and a resumption of the nation's economic growth," N.A.M.'s board of directors also advocated:

- Reform of the federal tax rate structure to "remove roadblocks to growth and job opportunities and so that the tax revenue the government needs can be produced by a strong and expanding economy."

- Administration of public affairs at all levels of government with greatest economy so the "least possible burden is placed on ability of business and industry to move ahead and produce."

- Curbing the "power of union monopolies to exact inflationary wage increases." Union leaders were urged "in the interest of their members and the whole country," to forego demands for "more and more at a time when millions of Americans are out of work."

The N.A.M. said two basic causes of the economic decline

are a national tax policy which "undermines individual and business incentives and drains away venture capital" needed for economic growth, and "wage increases exceeding gains in productivity which have forced many prices up to the point" where consumers don't buy enough to keep everyone employed.

Alaska Freight Begins "Fishy-Back" Service To Anchorage, San Francisco, Los Angeles

San Francisco — Alaska Freight Lines has inaugurated the first direct over-the-water freight service between Los Angeles, San Francisco, and Alaska.

The "fishy-back" service, which began April 18, will operate once a month between the two California ports and Anchorage. The trip takes 15 days from Los Angeles and 11 from San Francisco.

Freight is accepted for shipment in trailer vans for below-deck stowage. There is no pickup

on the California end, but at the Anchorage there is delivery service to consignee's door to points as far away as Fairbanks. Each barge can accommodate 16 20-ton vans.

There is one other "fishy-back" service from San Francisco to Alaska, but it is not direct. Operated by Coastwise Line, it plies between San Francisco, Portland, and Seattle. Cargo is transferred to Alaska Steamship Co. ships at Seattle for through shipment to Alaska.

Alaska Freight Lines has operated van-barge service between Portland, Seattle, and Anchorage for several years. Freight movement is almost 100% north-bound, since there is little cargo moving out of Alaska to the United States.

Rates, which the line claims are competitive with other service to that area, include insurance and terminal charges.

Future of purchasing agents is entirely in the hands of salesmen. If salesmen do not sell anything, there is no need for purchasing agents.

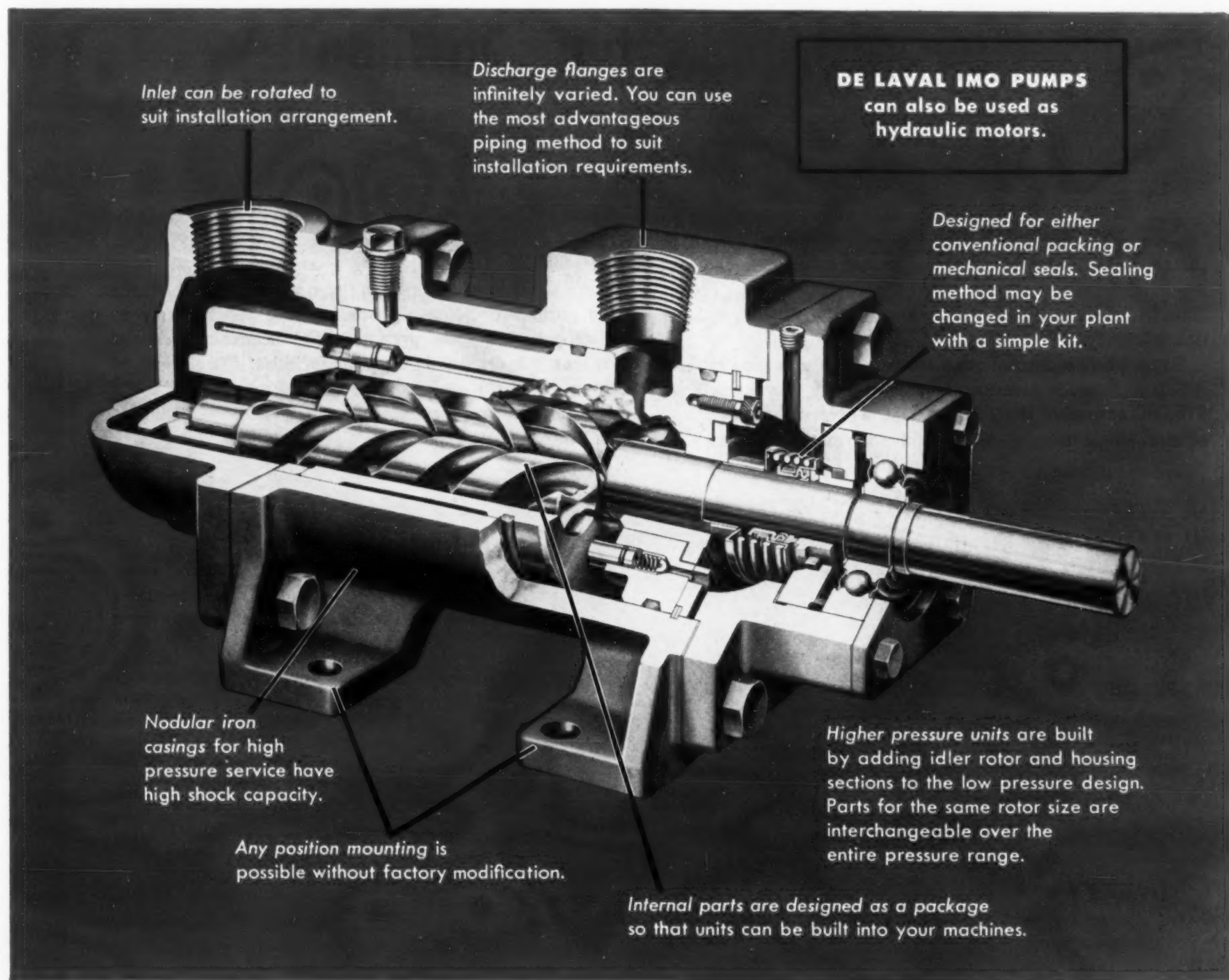
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De Laval IMO pumps have proved that they do a dependable job over long years of service. The reason is IMO design simplicity. These constant displacement rotary pumps have only three moving parts—smoothly intermeshing rotors that propel the fluid axially in a steady flow without churning, pocketing or pulsation. There are no timing gears, cams, valves, sliding vanes, or reciprocating parts to wear or become noisy. Quiet, compact IMO pumps are excellent for direct-connected, high-speed operation.

In addition to these basic pumping advantages, the improved IMO gives you important new benefits shown in the cutaway illustration below.



Railroads Cut Lumber Tariffs on West Coast

San Francisco—Southern Pacific Co. and Western Pacific Railroad Co. have announced plans to cut rates on lumber shipments as much as 30% effective about May 20.

The Southern Pacific cut will apply to shipments between Oregon, California, and Arizona, plus intrastate California shipments.

The Western Pacific reductions apply to shipments between points in Washington, Oregon, and California.

Rates for minimum carloads of 40,000 lb. of lumber or lumber products will be brought down to the level of truck tariffs. Present rates will be cut by 30% on shipments in the 60,000-70,000-lb. category to encourage shippers to load cars heavily. These incentive rates will be below truck rates.

Policy Change Revealed

Canton, Ohio — Hercules Motors Corp., in a sales policy change, is placing substantial emphasis on engine sales by its distributors and dealers. The new policy will enable the dealers and distributors to sell at factory price to original equipment manufacturers in their territories, and will provide better customer service on equipment.

Bulletin 3001 gives data on improved De Laval IMO pumps. Send for your copy today.



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INDUSTRY SPROUTS GEIGER COUNTERS as over 1,600 firms use radioactive isotopes to trace, measure, test, preserve, and record. Oilman is listening for clicks telling him that one grade of oil has passed and a new radioactivated grade is coming through.

Radioactive Isotopes Reduce Costs, Find Increasing Applications in Industry

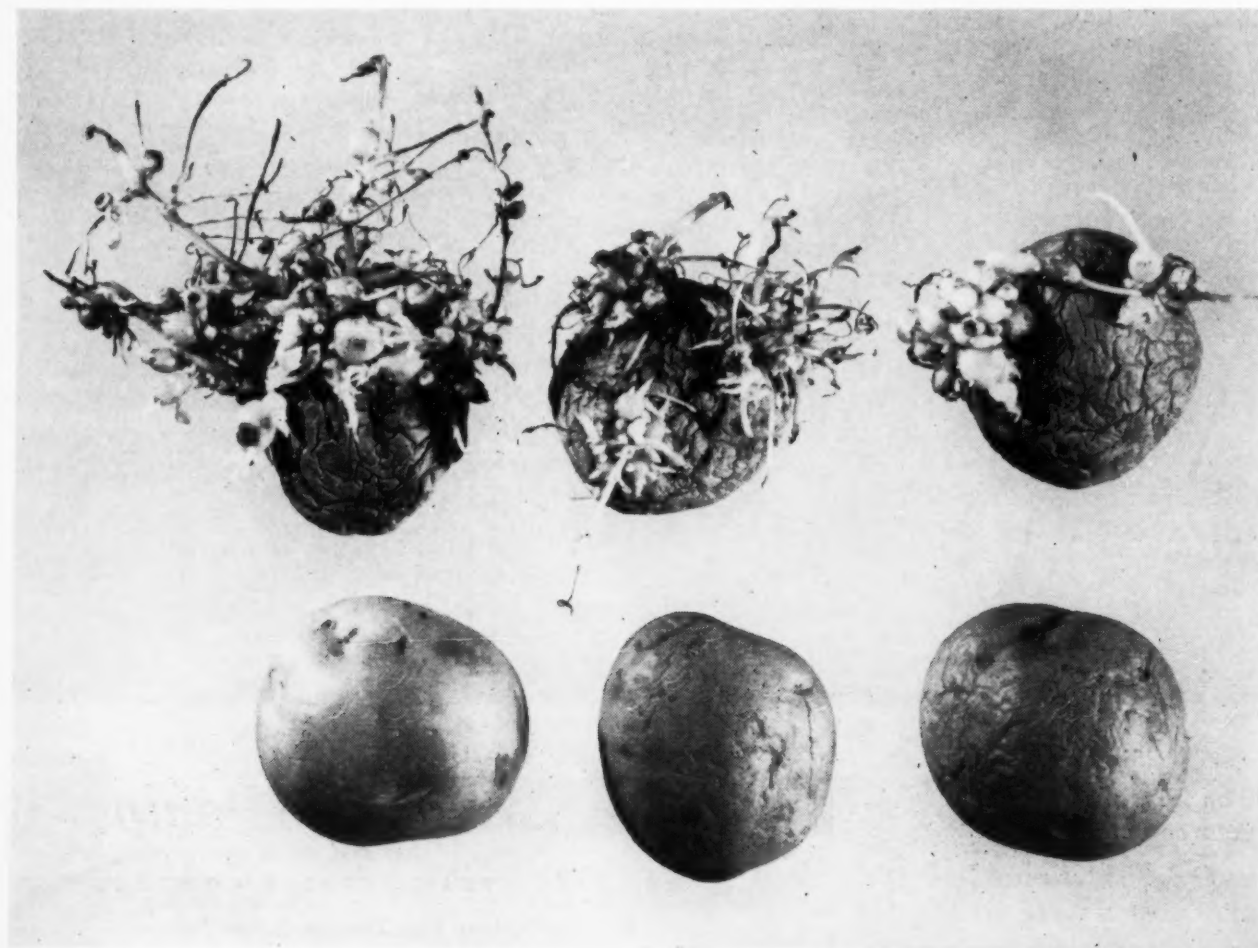
Radioactive isotopes saved United States industry \$500 million last year, at a cost (for the atomic energy) of under \$3 million, according to a recent Atomic Energy Commission report.

How are these savings being made? Direct savings come, for example, when a tiny pellet of radioactive material replaces a giant X-ray machine for finding flaws in casting or welds. But indirect savings may be just as important. These come from fewer product rejections and increased production efficiency.

Some 1,667 industrial firms are now licensed to use radioisotopes. Average investment for the energy source itself is \$18,000 annually. But that isn't the whole story. A radioisotope gauge for measuring and controlling thickness of

sheet steel may cost \$50,000. Yet it may use only \$25 worth of the strontium-90 energy source. Obviously, cost of the energy alone is a small part of overall outlay.

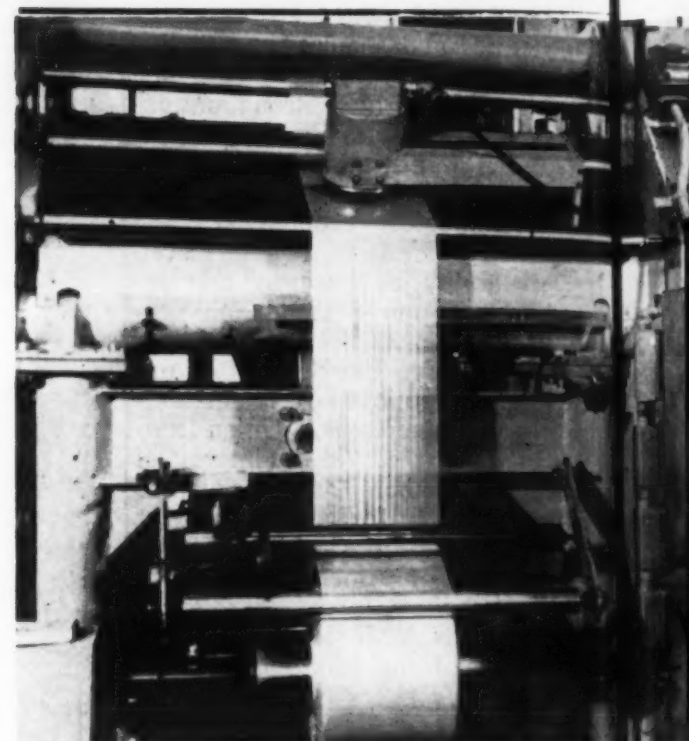
How can you decide whether your plant can save money with isotopes? As a starter you can query the AEC Technical Information Service, U. S. Atomic Energy Commission, Washington 25, D. C. But for a complete analysis most companies call in an atomic energy consultant. Consultants do the groundwork toward your applying for a license to use isotopes, help you prepare AEC license-applications forms that ask (1) details on your facilities, (2) amount of energy needed, (3) qualifications of men who'll handle the isotopes, and other information you may not be able to give without hiring some experts or calling in a consultant.



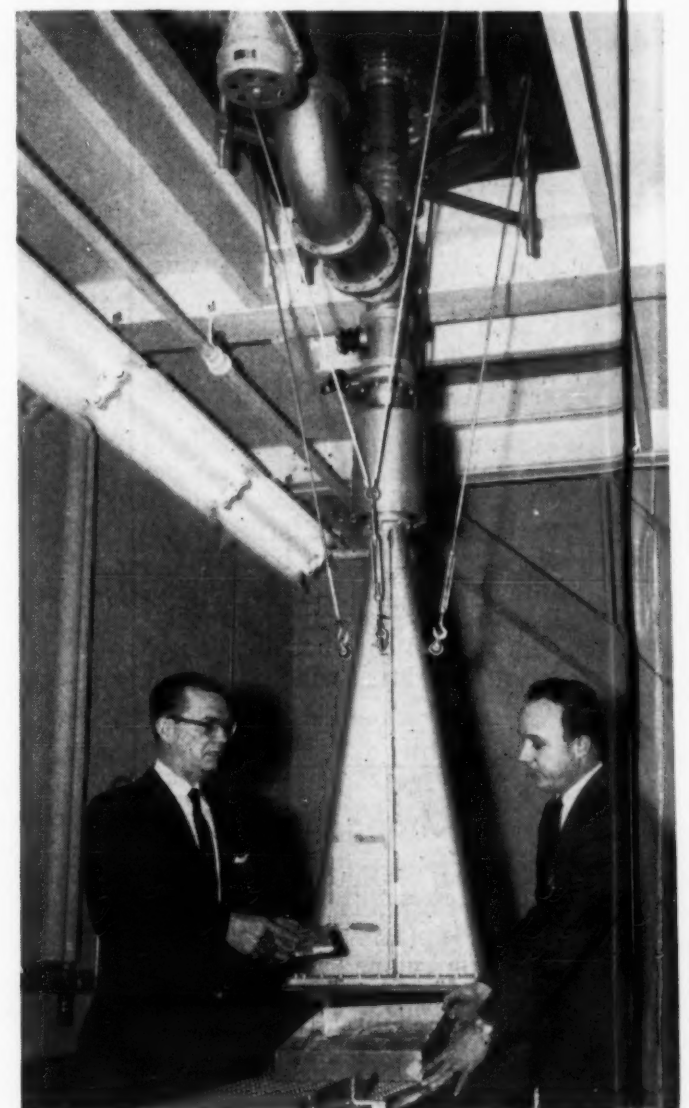
←
FOOD PRESERVATION with isotopes is subject of study at Brookhaven National Lab (N. Y.). Potato at upper left was not exposed. Others received varying doses of gamma rays. All have been out of ground for a period of 16 months.



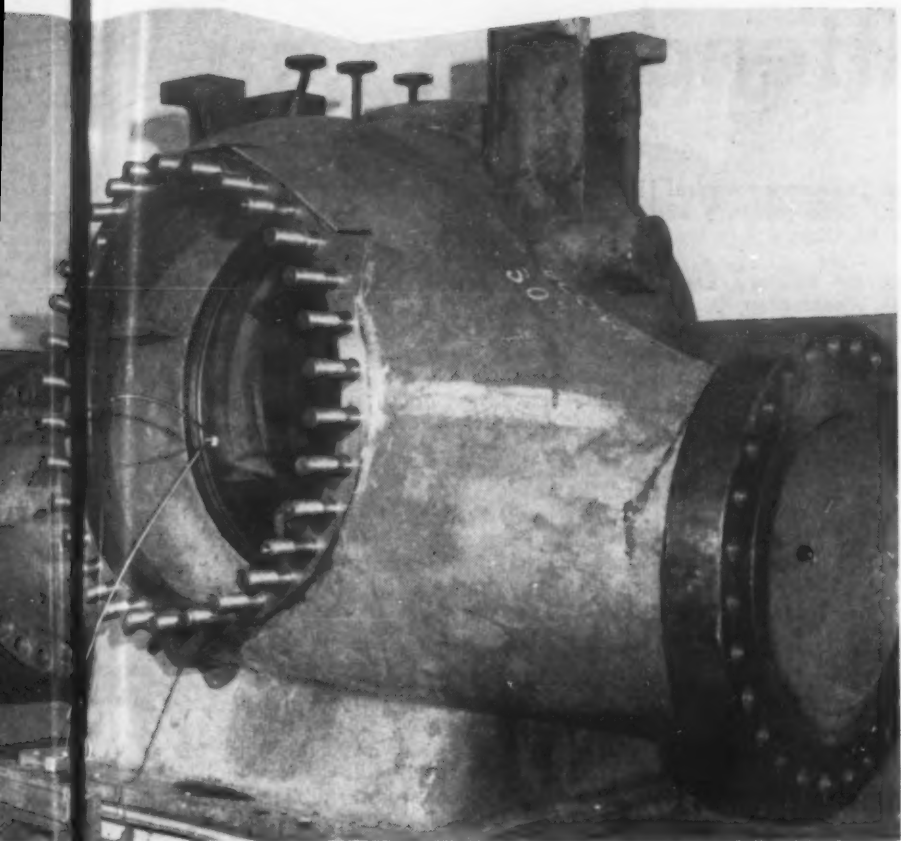
COMPRESSOR CASING IS TESTED for metallurgical flaws at inside casing; film to be exposed goes on opposite side of casing.



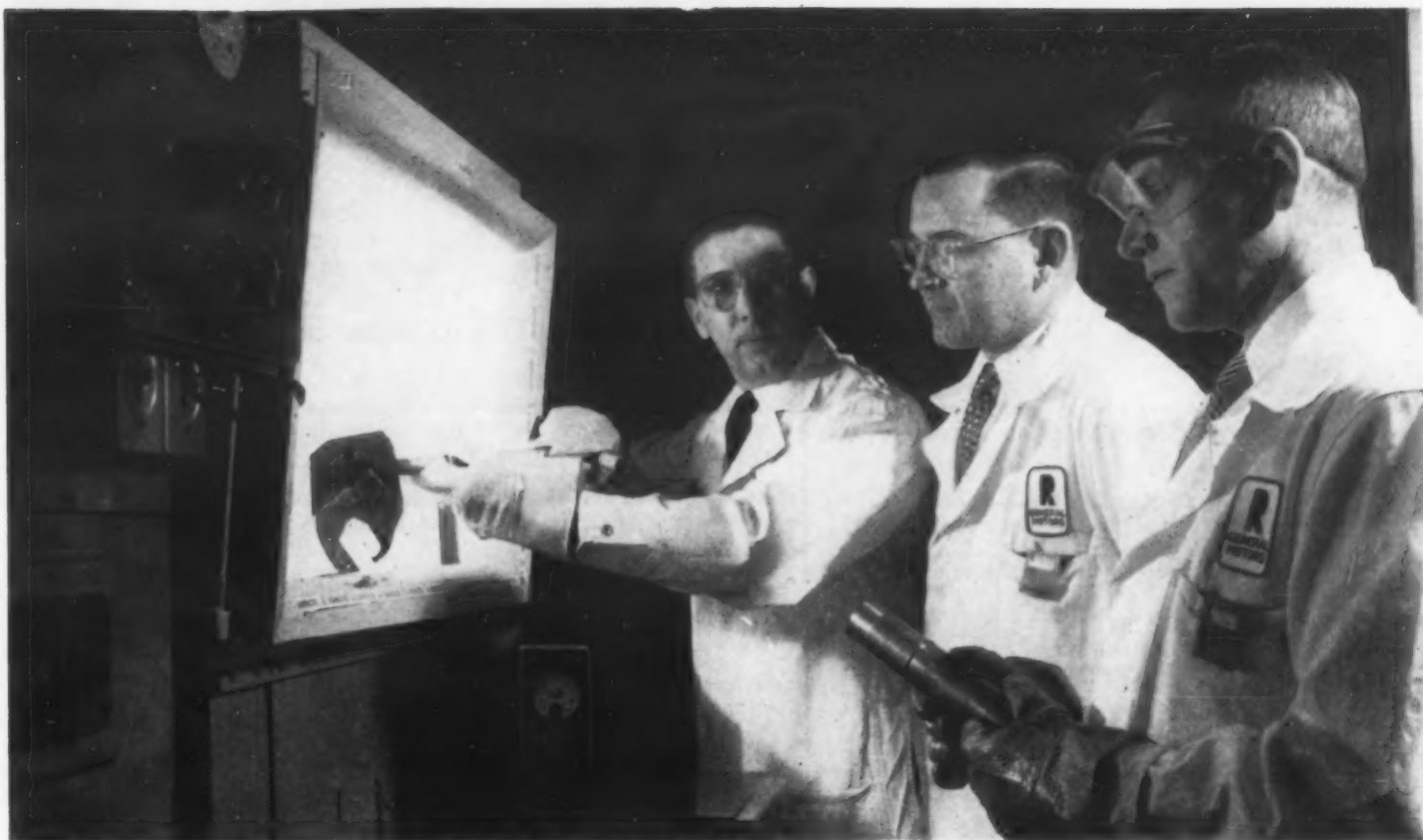
PLASTIC FILM PRODUCTION is supervised by isotopes. Beta gauge register on right registers eight.



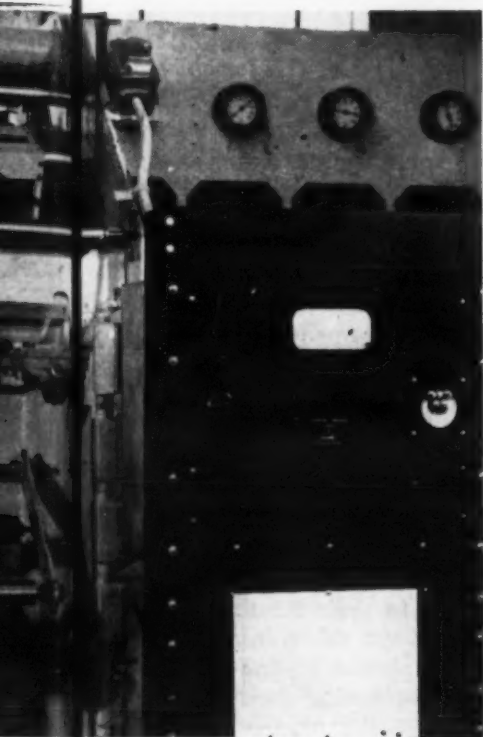
IRRADIATED HAMBURGER is studied for spoilage. Tests show some irradiated foods last a year stored at 22F.



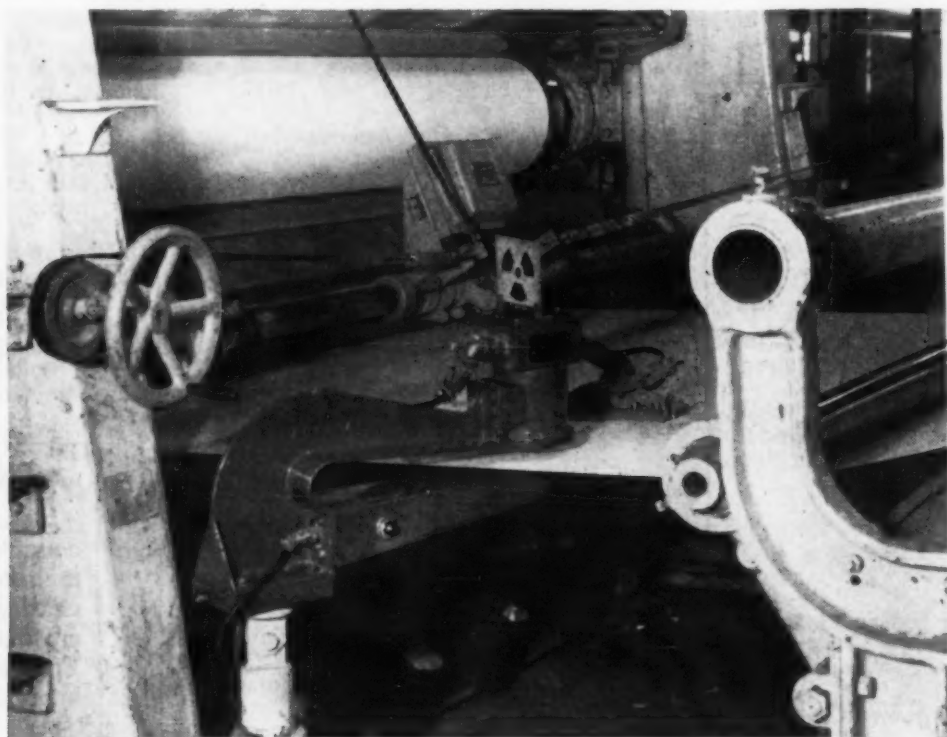
urgical views at De Laval Steam Turbine Co. Technician places radioactive cobalt opposite side of casing wall. Exposure time depends on thickness of the metal.



ISOTOPES AID TOOL-WEAR TEST—Radioactive tool (behind white protective hood at left) will cut transmission shaft (held right). After cut is made, chips worn off radioactive cutter will be counted by radiosensitive scanner.



by isotopes. Rays pass through plastic, registers weight per unit area of material.



PAPER is measured by isotopes at Newton Falls Paper Mill (N. Y.). Beta rays penetrate paper web, strike the detecting head, and record weight on a chart.



DETERGENT TESTER at Monsanto Chemical smears pan with radioactive compound, washes it, then makes counter test for residue.



ilage. Tests red at 22F.



BIOLOGICAL RESEARCH traces radioactive injections. Above is body of a mouse killed 20 min. after injection. View shows dosage is low in brain, right, and high in the kidney, top left. This picture, taken by Torsten Andre, was used in NUCLEONICS, a McGraw-Hill publication.

← VOLTMETER TIP of irradiated polyethylene holds form through a 404F, 30-min. test that makes jelly of regular plastic. Process uses either gamma or X-rays.

Meetings You May Want to Attend

First Listing

Material Handling Equipment Distributors—Annual Meeting, Chicago, June 5-7.

Society of Automotive Engineers—Summer Meeting, Chalfonte Haddon Hall, Atlantic City, June 8-13.

Western Packaging and Material Handling Exposition—Civic Auditorium, San Francisco, Aug. 11-13.

American Die Casting Institute—Annual Meeting, Edgewater Beach Hotel, Chicago, Sept. 10-11.

American Institute of Supply Associations—Annual Convention, Roosevelt and Jung Hotels, New Orleans, Oct. 26-29.

Previously Listed

APRIL

National Screw Machine Products Association—25th Anniversary Meeting, Drake Hotel, Chicago, April 30-May 3.

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MAY

American Society of Tool Engineers—Tool Show and 26th Annual Convention, Convention Center, Philadelphia, May 1-8.

British Columbia International Trade Fair—Vancouver, B. C., May 1-10.

National Tool & Die Manufacturers Association—Spring Meeting, Statler Hotel, Washington, D. C., May 3-6.

Air Conditioning and Refrigeration Institute—Annual Meeting, The Homestead, Hot Springs, Va., May 4-7.

National Welding Supply Association—14th Annual Convention, The Americana, Miami Beach, Fla., May 5-7.

American Mining Congress—Coal Convention, Cincinnati, Ohio, May 5-7.

American Public Power Association—Annual Meeting, New Orleans, May 6-8.

National Association of Educational Buyers—Annual Meeting, Hotel Leamington, Minneapolis, May 7-9.

Western Air Conditioning Industries Association—Western Air Conditioning, Heating, Ventilating and Refrigeration Exhibit and Conference, Shrine Exposition Hall, Los Angeles, May 7-11.

United States World Trade Fair—2nd Annual Exposition, Coliseum, New York, May 7-17.

American Material Handling Society—Western Material Handling Show, Great Western Exhibit Center, Los Angeles, May 8-10.

American Steel Warehouse Association—Annual Convention, Riviera Hotel, Las Vegas, Nev., May 11-14.

National Association of Purchasing Agents—Annual Convention, Conrad Hilton Hotel, Chicago, May 11-14.

American Society for Metals—Southwestern Metal Exposition and Congress, State Fair Park, Dallas, May 12-16.

American Management Association—Marketing Division Conference on Sales Forecasting, Drake Hotel, Chicago, May 15-16.

National Truck, Trailer and Equipment Show—Great Western Exhibit Building, Los Angeles, May 15-18.

Electronics Parts Distributors Show—Conrad Hilton Hotel, Chicago, May 19-21.

American Foundrymen's Society—62nd Annual Convention and Exhibition, Public Auditorium, Cleveland, May 19-23.

American Iron and Steel Institute—Annual Meeting, Waldorf-Astoria Hotel, New York, May 21-22.

National Office Management Association—Conference and National Office Machinery and Equipment Exposition, Conrad Hilton Hotel, Chicago, May 25-28.

Triple Industrial Supply Convention—Waldorf-Astoria Hotel, New York, May 26-28.

American Management Association—National Packaging Exposition, Coliseum, New York, May 26-30.

JUNE

National Industrial Advertisers Association—Annual Convention, Chase and Park Plaza Hotels, St. Louis, June 3-6.

Canadian Association of Purchasing Agents—33rd Annual Conference, Queen Elizabeth Hotel, Montreal, Quebec, June 8-10.

Society of Automotive Engineers—Summer Meeting, Chalfonte-Haddon Hall, Atlantic City, June 8-13.

Edison Electric Institute—26th Annual Convention, Convention Hall, Boston, June 9-12.

National Materials Handling Exposition—Public Auditorium, Cleveland, June 9-12.

22nd National Oil Heat and Air Conditioning Exposition—Coliseum, New York, June 9-12.

National Association of Electrical Distributors—50th Annual Convention, Civic Auditorium, San Francisco, June 9-13.

International Automation Exposition and Congress—Coliseum, New York, June 9-13.

Oil Heat Institute of America—Annual Convention, Park Sheraton and Barbizon Plaza Hotels, New York, June 10-12.

American Society of Mechanical Engineers—Semi-Annual Meeting, Statler Hotel, Detroit, June 15-19.

American Association of Cost Engineers—Annual Meeting in cooperation with Case Institute of Technology, Cleveland, June 16-18.

Second National Convention on Military Electronics—Sheraton-Park Hotel, Washington, D. C., June 16-18.

American Society for Testing Materials—Annual Meeting, Statler and Sheraton Plaza Hotels, Boston, June 22-27.

American Institute of Electrical Engineers—Summer General Meeting, Buffalo, N. Y., June 22-27.

Purchasing Agents Association of Hawaii—Hawaii Mid-Pacific Purchasing Seminar, Hawaiian Village Hotel, Honolulu, June 23-25.

American Marketing Association—Annual Convention, Harvard School of Business Administration, Boston, June 24-26.

National Association of Plumbing Contractors—National Plumbing Heating-Cooling Exposition, Pan Pacific Auditorium, Los Angeles, June 30-July 3.

SEPTEMBER

National Petroleum Association—56th Annual Meeting, Traymore Hotel, Atlantic City, Sept. 10-12.

Instrument Society of America—13th Annual Instrument Automation Conference and Exhibit, Convention Hall, Philadelphia, Sept. 15-19.

Steel Founders' Society of America—Fall Meeting, The Homestead, Hot Springs, Va., Sept. 22-23.

Association of Iron and Steel Engineers—Annual Meeting, Public Auditorium, Cleveland, Sept. 23-26.

American Society of Tool Engineers—Semi-Annual Meeting and Western Tool Show, Shrine Exposition Hall, Los Angeles, Sept. 29-Oct. 3.

OCTOBER

National Institute of Governmental Purchasing—13th Annual Conference and Product Exhibit, Hotel Statler, Boston, Oct. 5-8.

Gray Iron Founders' Society—Annual Meeting, Sheraton Park Hotel, Washington, D. C., Oct. 8-10.

National Association of Purchasing Agents—6th District Purchasing Conference, Sheraton-Mayflower Hotel, Akron, Ohio, Oct. 9-11.

National Electronics Conference—Hotel Sherman, Chicago, Oct. 13-15.

Purchasing Agents of Central Iowa—Products Show, Veterans Memorial Auditorium, Des Moines, Oct. 15-16.

Foundry Equipment Manufacturers Association—Annual Meeting, Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 16-18.

Conveyor Equipment Manufacturers Association—Annual Meeting, Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 18-21.

National Association of Oil Equipment Jobbers—Annual Convention and Trade Show, Hotel Adolphus, Dallas, Oct. 19-21.

National Business Show—Coliseum, New York, Oct. 20-24.

Petroleum Industry Purchasing Management Seminar—Purchasing Agents Association of Tulsa in conjunction with the University of Tulsa, Western Hills Lodge on Lake Gibson, Wagoner, Okla., Oct. 22-24.

Independent Petroleum Association of America—Annual Meeting, Statler-Hilton Hotel, Dallas, Oct. 27-28.

American Society for Metals—National Metals Exposition and Congress, Public Auditorium, Cleveland, Oct. 27-31.

NOVEMBER

American Petroleum Institute—38th Annual Meeting, Conrad Hilton, Palmer House and Congress Hotels, Chicago, Nov. 10-13.

National Electrical Manufacturers Association—Annual Meeting, Hotel Traymore, Atlantic City, Nov. 10-14.

National Electrical Contractors Association—Annual Convention and National Electrical Exposition, Adolphus Hotel, Dallas, Nov. 16-21.

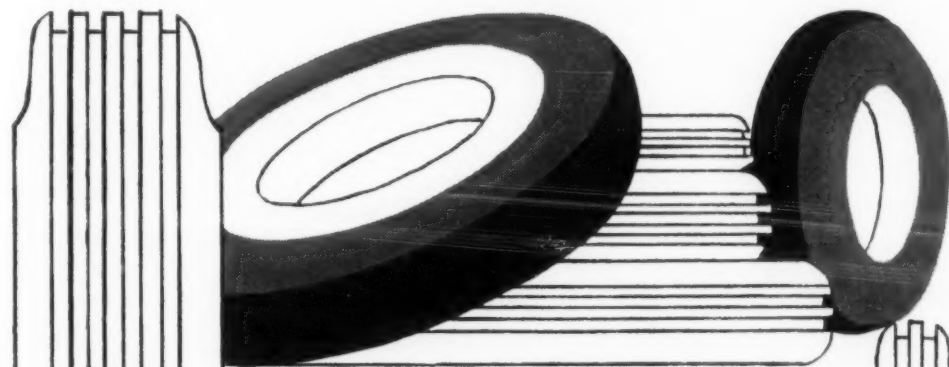
Society of the Plastic Industry—8th National Plastics Exposition, International Amphitheatre, Chicago, Nov. 17-21.

National Retail Lumber Dealers Association—5th Annual Building Products Exposition, International Amphitheatre, Chicago, Nov. 22-25.

List Your Meetings

Associations, societies, and committees interested in calling the attention of readers of **Purchasing Week** to their meetings are welcome to use this column. The gathering should be one of interest to purchasing agents. There is no charge.

Send announcements to: **Meetings Calendar, Purchasing Week, 330 West 42nd Street, New York 36, N. Y.**



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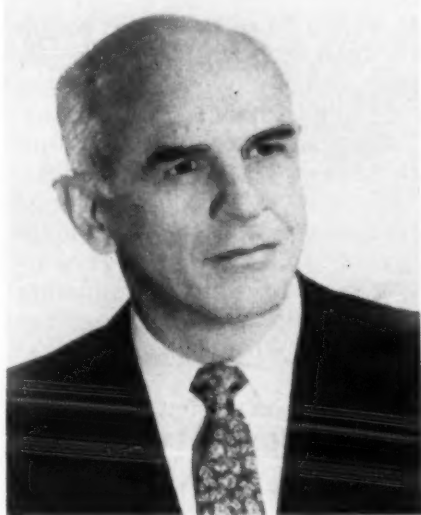
Crane Named Assistant To Purchasing Director

Dallas—Robert D. Crane has been promoted to assistant director of purchases for Dresser Industries, Inc.

Crane had been serving as manager of purchases for Dresser Manufacturing Division, Bradford, Pa., and will now make his headquarters in the firm's executive offices. His responsibilities will be in the fields of purchasing methods and procedures, value analysis programs and inventory control.

Franklin D. Spofford succeeds Roger V. Mitchell, who retired, as manager of purchasing and stores at The Potomac Edison Co., Washington, D. C.

Mrs. Lillian Cole, chief clerk in the Laramie county clerk's office the past four years, has been appointed purchasing agent for the City of Cheyenne, Wyo. She succeeds Mrs. Vivian Rodin who has been made city clerk.



H. F. FROEHLICH, formerly manager of purchasing and production controls at Sherman Products, Inc. of Royal Oak, Mich. has been advanced to group manager responsible for the manufacturing engineering and purchasing-production control departments.

James D. Delesie has been advanced to assistant director of purchases at the Buick Division of General Motors Corp., Flint, Mich. He has been with the firm since 1946.

L. J. Karam has been promoted from assistant purchasing agent to purchasing agent by Whitehouse Products, Inc., Brooklyn, N. Y.

Richard S. Minaldi has been assigned to the new post of assistant general purchasing agent by Gerber Products Co., Fremont, Mich. Ken Erickson succeeds him as purchasing agent at the company's plant at Oakdale, Calif.

Hiag Yessian has been made purchasing agent of Stanley Building Specialties Co., North Miami, Fla., a subsidiary of The Stanley Works. Yessian had been a member of Stanley Works' purchasing department since 1942. He served as manager of its priorities section until the end of World War II when the section was suspended and he became purchasing agent for the firm.

Mark W. Laibe, former director of purchases for Goodyear Tire & Rubber Co., Akron, recently named assistant to the firm's president, has been elected a vice president. He headed all purchasing, general merchandise and material control, traffic, warehousing, and rubber plantations.

C. C. Gibson, vice president of the Automotive Products sales division, has also been elected a vice president of the firm.

John R. Devitte has been named director of purchasing for Reflectal Corp., Chicago, a subsidiary of Borg-Warner Corp., and will also continue as assistant product manager for Alfol aluminum foil insulation.

W. C. Tuchfarber, formerly director of purchases for Rayette Inc., St. Paul, Minn., has been named treasurer of LaMaur, Inc., Minneapolis.

Michael R. Figaredo has been made purchasing agent for the combined operations of Rapid Products Co. and Jet Industries Corp., Brooklyn, N. Y.

Garry H. Harris has been named safety director for the Rolled Steel Corp., Skokie, Ill. He joined the firm's purchasing department in 1957.

James B. Williams has been appointed manager, atomic instruments sales, for Baird-Atomic, Inc., Cambridge, Mass.

James E. Norbury, Jr., has been promoted to supervisor of industrial chemicals sales for The Dow Chemical Co.'s Boston office.

A. D. Nusser has been made assistant manager of the Pittsburgh sales branch of Crucible Steel Co. of America.

James H. Carmine has joined Fram Corp., Providence, R. I., as a special consultant in sales, advertising, merchandising and marketing.

A. N. Johnston, Jr., has been named manager, central sales region, by Raybestos-Manhattan, Inc., Passaic, N. J. H. P. McLaughlin succeeds Johnston as Pittsburgh district manager.

G. H. Hennegar has been elected president of Walter Maguire Co., Inc., New York.

Wallace G. Moline and Louis H. Larime have joined Performance Measurements Co., Detroit, as general manager and sales engineer.

J. M. Crockett has been named manager of the Birmingham district by Air Reduction Sales Co. He succeeds W. L. Poole, who has been appointed sales consultant for the district.

Arnold E. Amadon has been named manager of the Nycor Sales Division of Graton & Knight Co., Inc., Worcester, Mass.

W. Harrison Faulkner, Jr., has been elected vice president for engineering and development, Tracerlab Inc., Waltham, Mass.

John F. Trevenen has joined Penola Oil Co., Detroit, as manager of the firm's wholesale lubricating oils department.

Arthur C. Connor has been appointed sales representative in the Philadelphia area for Russell, Burdall & Ward Bolt and Nut Co.

William F. Pfeiffer, Jr., has taken the new post of division sales manager with the Mansfield, Ohio, unit of Stone Container Corp.

Maurice L. Goodman has been promoted from sales manager of the Universal Atomics Division, Universal Transistor Products Corp., Westbury, N. Y., to general sales manager for the firm.

J. B. Sage has been promoted to manager of The Firestone Tire & Rubber Co.'s Oklahoma City sales district.

Lewis C. Pape has been made general sales manager for The Dayton Rubber Co.'s Foam Division, Dayton, Ohio.

Obituaries

Morton O. Scott

Butte, Mont. — Morton O. Scott, retired assistant purchasing agent for Anaconda Co.'s Butte operation, died April 8 in Tuscon, Ariz., where he was spending the winter. Scott was over 80 years old.

He joined the firm in 1902 as a laborer in the Butte mines warehouse. He served as assistant clerk in the purchasing department, senior clerk and chief clerk; in 1940 he was promoted to assistant purchasing agent.

Douglas R. Bleasdel

Toronto, Ont.—Douglas R. Bleasdel, a former purchasing agent for mines in Ontario and Quebec, died April 7. He was a member of the Toronto General Trusts Co.

Marshall L. Stone

Milwaukee — Marshall L. Stone, 56, a buyer in the Wisconsin Motor Corp.'s purchasing department, died April 5. He was with the company 19 years and is survived by his wife and son.



JACK BRINER plots course at navigation desk aboard 39-ft. "Damsel."

A P.W. Profile

Jack Briner, AC Spark Plug P.A., Looks Forward to Spring, Sailing

It happens every spring. Jack Briner, director of purchases at General Motors' AC Spark Plug Division gets restless waiting for May and balmy weather signaling the start of the boating season.

Briner has been sailing for years. A paneled trophy case in the den of his Milwaukee home carries reminders of four victories in sailing competition since 1951. But this spring he's more excited than ever. He has a new boat that he's itching to put through its pre-contest paces.

The recently-acquired 39-footer, "Damsel" is the fifth member of Briner's present fleet. He also owns a dinghy, a 12-foot sailboat, and two 14-foot racing machines (boats especially built for sailing in competition.) Briner bought the "Damsel" last fall so he could enter the Chicago-to-Mackinac race this year.

Competition Is Grueling

The Chicago-to-Mackinac competition follows a grueling 331-mile course, from the southern end of Lake Michigan to its northern tip. It requires more boat than Briner sailed while winning the Queen's Cup race last year for the second time. This is a shorter 130-mile, 3-state race across Lake Michigan.

But Jack Briner does not restrict his sailing activities to fresh water. To his credit are several wins in the "Thistle" and "Raven" class off Marblehead in 1951 and 1952. He has also sailed as a crew member on several boats in the Nassau and Bermuda races the last three years. Recently he returned from a March vacation spent (you guessed it!) in the St. Petersburg-to-Havana race.

Besides a competitive reason for a larger boat, Briner had another for getting the "Damsel" last fall. His two older sons—Jack, 11 and Gordon, 8—had trouble standing up in the 52-inch headroom of his previous "Dilemma," a 38-foot U. S. design racing machine. But his new Bounty-class sloop will have headroom for the whole family.

By mid-May, Briner's new boat will slide into the water and probably not come out until mid-October. In between it will sail many competitive miles on Lake Michigan, including the Chicago-to-Mackinac course that Briner has sailed 5 other times in boats skippered by others. Although the "Damsel" has a 25-hp. auxiliary engine, Briner hopes he won't have to use it if the sailing weather is right. It is used only for making port in emergencies or in no-wind conditions.

When the boat comes out of the water next fall, Briner will turn to other sports "after saving one week-end for taking down screens."

Weekends Spent Skiing

His weekends from December to April are usually spent skiing. He used to ski the slopes of the Canadian Laurentians, but the last eight years he has saved a week of March vacation for skiing with his family in Sun Valley.

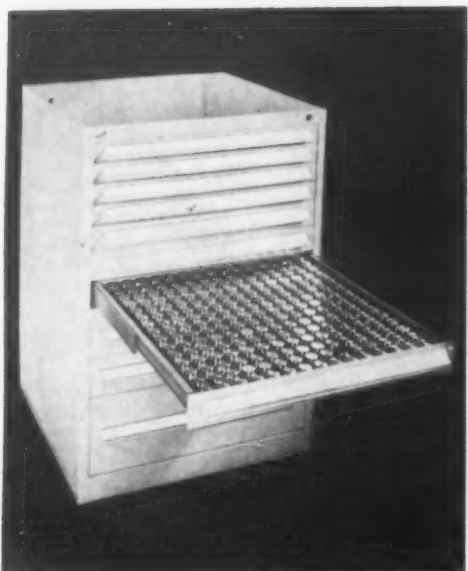
Only because business often requires travelling away from home has he recently discontinued his other activity, fencing. Anyone who has held state championships in two classes (epee and saber) would not give up the sport for any other reason.

But Briner's favorite sport is sailing, having been born near the water in San Francisco. Schooling in Detroit and the University of Michigan, and starting as a student engineer in Flint, Michigan also encouraged this water sport.

His purchasing work was interrupted from 1942 to 1946 when he spent it with the U. S. Corps of Engineers in the Pacific. When the Milwaukee plant was opened in 1948, Briner was named Director of Purchases of it and now has a department of 11 buyers.

Between sailing, skiing, and business, Jack Briner still finds time to participate in the Milwaukee Association of Purchasing Agents. And, as you might expect, he is also a member of the Milwaukee Yacht Club and the Otsego Ski Club in Michigan.

Here's your weekly guide to . . .



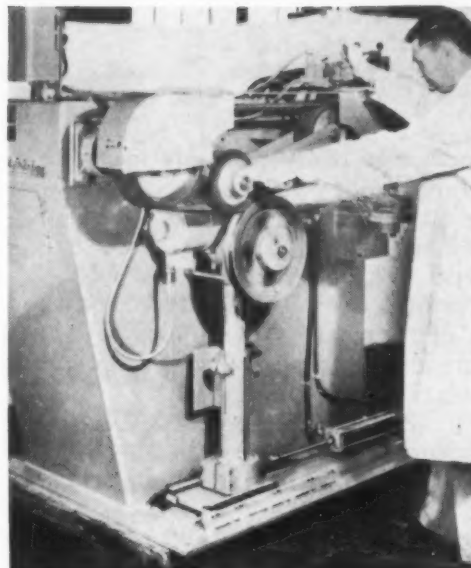
Storage Cabinet

Part of Storage System

Storage system based on cabinet shown is designed to store parts and equipment so as to make every item available and at the same time provide visual inventory control of all stored items. System is based on modular concept to provide complete interchangeability of cabinet components with a wide variety of interior arrangements to meet industrial storage situations.

Price: about \$400 for basic unit shown (including drawers). Customers requirements extra. Delivery: about 30 days beginning in July.

Vidmar, Inc., 222-34 96th Ave., Queens Village, L. I., N. Y. (4/28/58)



Sheave Grinder

With Variable Speed Drives

Various sizes of sheaves may be accommodated because of interchangeable contact wheels and extra adapters. Both throat and outside diameter of the sheaves, from 10 to 42 in. may be ground on machine by the use of the abrasive belt. A formed contact wheel grinds the groove and work can then be moved under the flat-faced contact wheel for grinding the outside diameter. Smooth finish produced makes a more satisfactory sheave.

Price: from \$3,000 to \$5,000. Delivery: 3 to 6 wk.

Grinding & Polishing Machinery Corp., 2530 Winthrop Ave., Indianapolis 5, Ind. (4/28/58)



Constant-Level Feeder

Lifts Load to Working Height

Model 68 is used for feeding such materials as paper, plywood, sheet steel, leather, and other loads into machines and processes as high as 10 ft. from the floor. Unit elevates skid loads, truck loads, or pallet loads to machine feed-in height, with top of the load kept at desired level by an operator using foot-operated control switch on the end of a 15-ft. cable. Down height is 1/8 in. flush with floor. Load capacity is up to 4,000 lb.

Price: about \$1,000. Delivery: about 3 wk.

Langley Mfg. Co., 920-F Cambridge St., Cambridge (Boston) 41, Mass. (4/28/58)



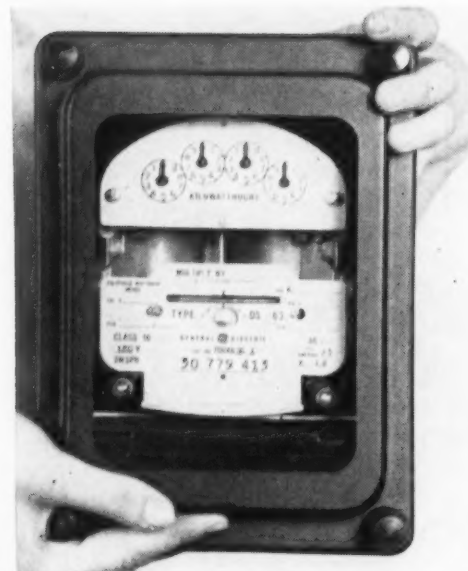
Manual Typewriter

With Proportional Spacing

Graphika manual typewriter has proportional spacing. It automatically gives each letter the amount of space appropriate to its shape. As a result letters seem to flow together as in printing. Space bar is in two sections and provides a choice of spacing between words. Graphika typeface, Cassandre, has been specially designed for proportional spacing. Right-hand margins can be justified, as on a printed page, when desired.

Price: \$275. (plus \$15.13 FET). Delivery: immediate.

Olivetti Corp. of America, 375 Park Ave., N. Y. 22, N. Y. (4/28/58)



Wathour Meters

For Switchboard Mounting

DS-60 line of polyphase switchboard wathour meters feature magnetic suspension of the rotor. All meters in the line are 2.5 amp. class 10 types, 60 cy. only. Thermal limit is 11 amp. sustained load with a flat speed performance curve. Meter types weigh only 13 1/2 lb. and are 9 1/8 in. high. Width is 6 5/8 in. and depth is 6 3/8 in. Draw-out type construction is standard on all models. Potential indicating lamps are standard.

Price: \$214 (DS-63); \$234 (DS-65); \$220 (DS-66). Delivery: 2 wk. (Price and delivery based on most common ratings.)

General Electric, Schenectady 5, N. Y. (4/28/58)



Two-Way VHF FM System

Uses High Frequency Crystal Filter

Two-way VHF FM mobile radio equipment uses a high frequency crystal filter for receiver selectivity characteristics under new split channel allocations. Model is capable of filtering out ignition noises and other types of interferences. Model 600-B/N has a frequency range of 140-152 mcs., and Model 600-D/N has a range of 152-176 mcs. Hycon-Eastern filter, in addition to guaranteeing selectivity for life, also eliminates receiver desensitization from strong adjacent channel stations.

Price: \$375. Delivery: immediate.

Aeronautical Electronics, Inc., Raleigh, N. C. (4/28/58)



Ultrasonic Drill

With Power Output of 100 W.

Glennite U-602 includes two basic units: a drill press and an ultrasonic generator. Drill assembly consists of a special Glennite piezoelectric transducer coupled to a tool mount by a mechanical transformer, and a drill mount and automatic, adjustable feed mechanism. Glennite is designed for rapid drilling of intricate shapes into hard, brittle, and unyielding materials such as glass, ceramics, quartz, precious stones and other materials such as tungsten, carbide, silicon, and germanium.

Price: \$895. Delivery: 30 days.

Gulton Industries, Inc., 212 Durham Ave., Metuchen, N. J. (4/28/58)



Arc Time Meter

Dial Offers Easy Reading

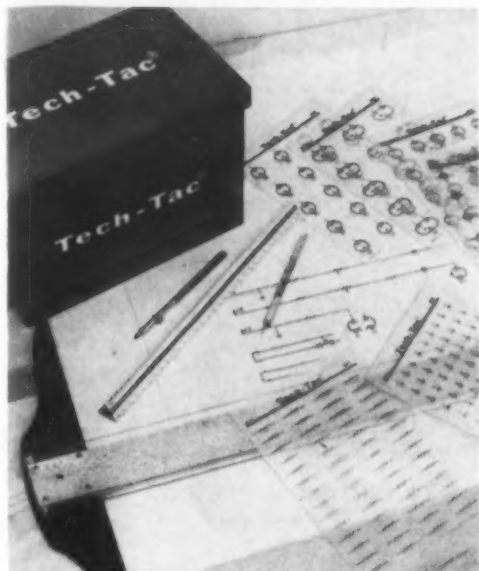
Arc-Timer is designed to facilitate machine performance analysis, operator duty cycle, and time and motions studies. Arc timer will accurately record the duration of arc of any welding machine, ac. or dc., whose open circuit voltage does not exceed 110 v. Meter is cumulative so arc operation between 15 and 45 v. may be recorded by job, hour, week, or any prescribed period. Timer is installed vertically and is vibration free and plugged directly into any 110 v. ac. circuit. Weight is 4 lb.

Price: \$99. Delivery: immediate.

Machinery & Welder Corp., 700 S. Spring Ave., St. Louis 10, Mo. (4/28/58)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



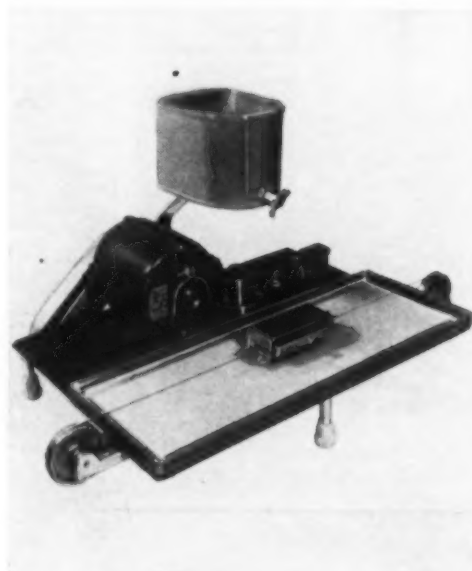
Electronic Symbols

Serve As Drafting Aid

Tech-Tac is a drafting aid in which pre-printed symbols on clear acetate are affixed by pressure applied dry adhesive to drawings. Any schematic or block diagram can be produced ready for direct print (ozalid, burning, dry printer, etc.) or copy camera simply by applying Tech-Tac symbols to a drawing surface and connecting them with straight lines. Acetate surface will take pencil or ink and can be erased.

Price: about \$150 (replacements may be ordered individually at 85¢ per sheet). Delivery: immediate.

Tech-Tac Inc., 727 West 7th St., Los Angeles 17, Calif. (4/28/58)



Washability Machine

Tests Paints and Similar Products

Model M-105 was designed for measuring the washability, scrubability, cleansability, and abrasion resistance of such products as paints, varnishes, lacquers, linoleum, waxes, anodized metals, etc. Machine consists of an anodized aluminum base plate mounted on three legs with rubber feet. Dimensions of the plate are 18x13x1/4 in. Number of oscillations made during a test are automatically recorded by a five-digit type counter with zero reset knob.

Price: \$275 (brush, brush box & accessories extra). Delivery: immediate.

Gardner Laboratory, Inc., P. O. Box 5728 Bethesda 14, Md. (4/28/58)



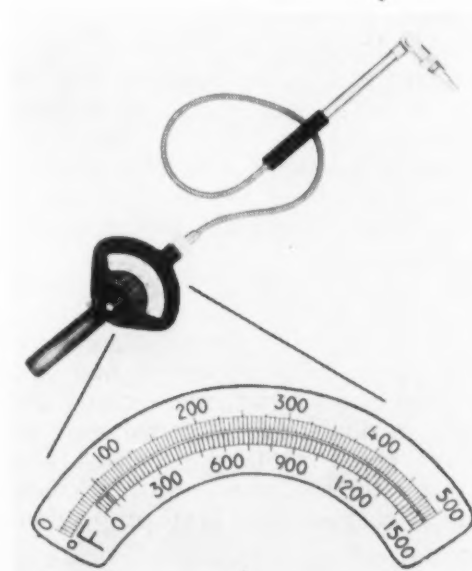
Centrifugal Pump

With Capacities to 16 Gpm.

Fig. 3604 pump, with heads to 28 ft., is designed for heavy-duty, continuous operation. Pump is particularly adapted for use on any equipment that requires circulating of corrosive liquids. It may be employed on whiteprint machines to circulate the developer and for photographic process work. Pump is suited for handling acids in a dye vat machine or for use in recovery units as well as pilot plant or laboratory applications. Pump is available in 316 stainless steel. Motor is 1/8 hp., 3,500 rpm.

Price: \$90. Delivery: immediate.

Goulds Pumps, Inc., Black Brook Rd., Seneca Falls, N. Y. (4/28/58)



Surface Pyrometer

For Plant and Laboratory Use

Model DR35 surface pyrometer provides an accurate and versatile double-range instrument designed for plant and laboratory surface and sub-surface temperature measurements alike. Long 4 3/4 in. indicator has two clear and distinct scale ranges in different colors. Low range from 0 to 500 F. is drawn in black and is sub-divided into easily read 5 deg. divisions. High range is calibrated in contrasting red from 0 to 500 F. DR35 is available in 15 types of thermocouples.

Price: \$115 (accessories extra). Delivery: 2 to 3 wk.

Pyrometer Instrument Co., Inc., Bergenfield, N. J. (4/28/58)

This Week's

Product Perspective

APRIL 28-MAY 4

The auto industry has almost since its beginnings shown the way in new metalworking and assembly techniques. It's been responsible for such concepts as mass production, and automation. But in recent years it has lost its place to the aviation industry.

New materials like high-strength alloys have caused aviation to search for new metalworking techniques. And its products—complex aircraft and missiles—need more advanced assembly techniques.

Some of the techniques the industry has come up with push far out on the frontiers of materials and processes. Explosive forming, for instance, is being tried for shaping tough metals like titanium and stainless steels. The technique uses an explosive charge to force the metal into shape before it has a chance to resist.

Honeycomb sandwich structures are almost the exclusive property of the industry, but others—construction, transportation, air conditioning—are taking it up. Chemical milling (PW, Apr 14, p22) is looking to other industries. Adhesive bonding and the use of numerical controls (PW Mar 10, p22) are being widely adopted.

Aviation still has some formidable problems ahead. A survey by the Air Materiel Command turned up these problems (in order of importance) tied to machining the new alloys:

- **Milling high-strength steels:** Milling is difficult. Tool life practically disappears.

- **Drilling high-strength alloy sheet:** High thrust needed make hand drilling impractical. Drill life is short. Drilling small diameter holes and deep holes in high temperature alloys is tough.

- **Grinding high strength steels,** high temperature alloys, and titanium with conventional methods causes severe surface damage.

As the aviation industry develops solutions, look for them to be adapted by other industries.

Machine tool time purchases continue to grow. While sales over all are down, in recent months installment sales have been staying abreast of cash sales. A report by the American Machine Tool Distributors Assn. spells out the details. Some 77% of machines sold by the distributors last year was on a deferred payment plan.

About 11% of distributors using some form of time payment reported that a quarter or more of their sales were made on a conditional basis. Four companies did over half their business this way.

Today 83% of distributors use conditional sales for at least a portion of their business.

There are some good reasons why purchasers are stepping up this trend:

- **Equipment prices have gone up**—partly because of inflation, partly because the equipment is more complex, more costly to make.

- **Both equipment makers and finance companies have been promoting installment buying.**

- **Installment buying looks like a good way to hold onto cash reserves for many companies.**

Another machine tool builder is tying its future to what it believes is the coming trend in automation—the “building block” concept (PW Jan 6, p24). Hartford Special Machinery Co. is currently de-emphasizing the manufacture of special machines to stress development of building blocks for machine tools.

Hartford will provide a broad line of components—automatic drilling and tapping units, way-type feed units, machine bases, columns, adapters, indexing and transfer mechanisms—for machine tool builders and metalworking companies.

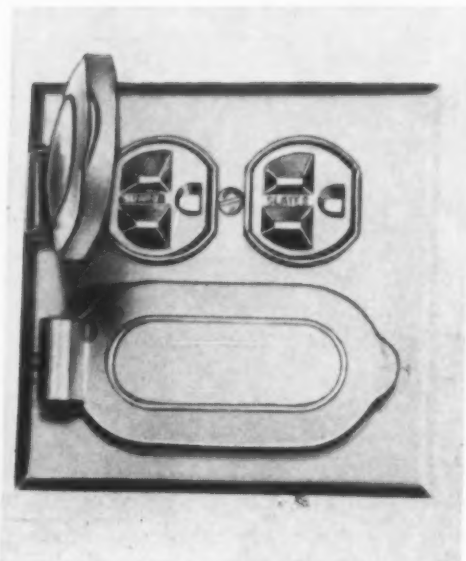
Biggest booster for the concept is Ford Motor Co. It has argued building blocks before top Pentagon officials. Ford made these recommendations:

- **Plan for the actual products needed for defense mobilization.**
- **Design the machine tool components needed to make these products.**
- **Build and stockpile the components as soon as possible.**

Correction: On page 25 of the March 24 PURCHASING WEEK we described two ultrasonic cleaners made by Acoustica Associates, Inc. Both items were illustrated, but in assembling the page the pictures were interchanged.

Your Guide to New Products

(Continued from page 21)



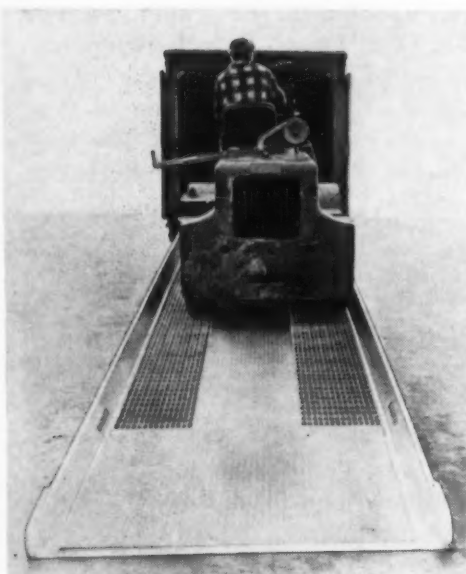
Receptacle

Withstands Snow, Ice, and Rain

Weatherproof 2-gang duplex U-ground assembly has dual seal-tight spring-hinged cover. It is suitable to interior installations where excessive moisture is, or is apt to be present. It may be used in metallic or non-metallic wiring systems for grounding metal parts of appliances or tools. Available with 15-amp., 125-v., 15-amp., 250-v., and parallel slot 15-amp., 125-v. receptacles. Receptacles are UL approved.

Price: about \$6.50 each. Delivery: immediate.

Perfect-Line Mfg. Corp., Old Country Rd., & R.R. Ave., Hicksville, L.I., N.Y. (4/28/58)



Loading Ramp

Made of Magnesium

Non-slip grating tracks are of heavy-duty open construction for self-cleaning and are recessed in the deck surface to set flush with center flooring. Ramps are made of magnesium for one man handling and are available in 58 and 70 in. widths and in 30 and 36 ft. lengths. Capacities range from 11,000 to 16,000 lb. Other features include a 4½ in. high curb and one-piece lower truss beam members to eliminate fatigue failures at welded joints.

Price: from \$2,995 to \$4,350. Delivery: 3 to 5 wk.

Magline, Inc., 1900 Mercer St., Pinconning, Mich. (4/28/58)



Ultrasonic Tester

For Portable Use

Type US instrument is designed to be used on applications requiring a small portable tester. It weighs only 35 lb. and measures about nine inches wide, 19 inches deep, and 14 inches high. Field use is facilitated by simplification of controls to four knobs and the incorporation of high performance, bright picture, and easily read video trace. A single transistorized automatic alarm is readily attached. Applications include ultrasonic inspection without disassembly of plant machinery.

Price: About \$2,500. Delivery: 6 wk. Sperry Products, Inc., Danbury, Conn. (4/28/58)



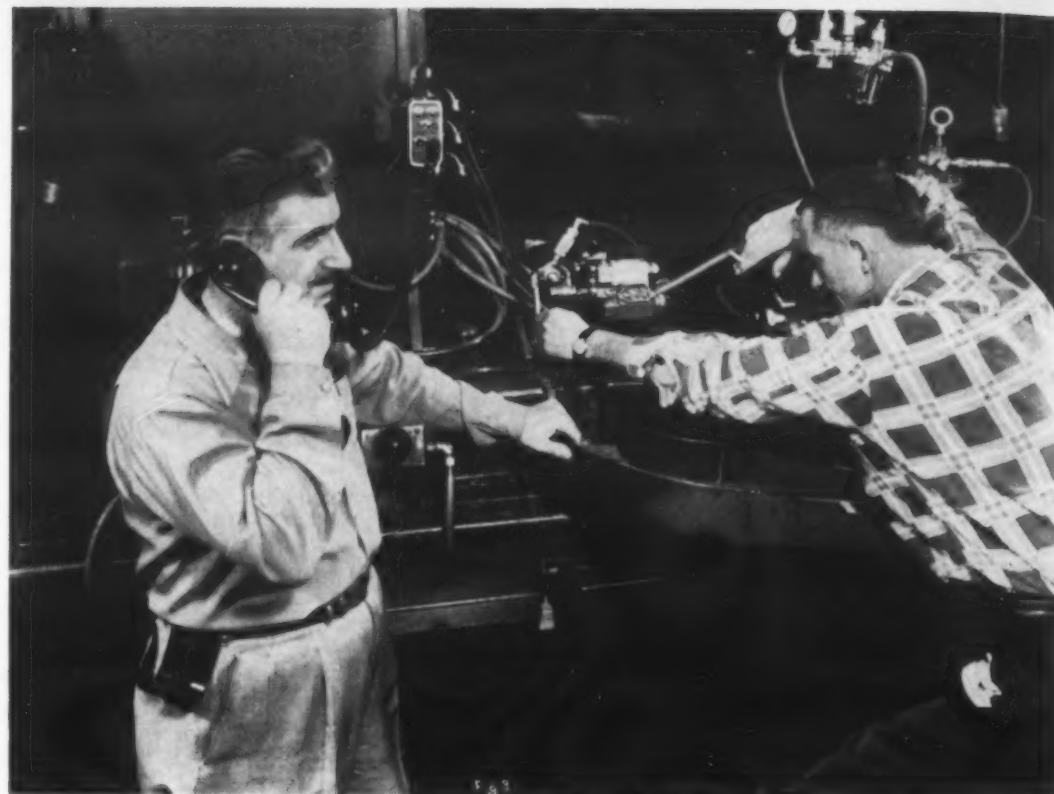
Clock Radio Timer

With One-Knob Crystal Control

With radio clock timer any playing time from 15 min. to 5½ hr. can be pre-set. Radio will play from the time selected upon retiring, shut off automatically and turn on again at the predetermined alarm time in the morning. All settings to control playing time are made by turning the molded plastic dial knob which also serves as the crystal for the mechanism. Minute and hour hand settings are made with a time-set knob from the back. All moving parts are enclosed.

Price: \$2.44 each (in quantities of 10,000). Delivery: 3 mo.

E. Ingraham Co., Bristol, Conn. (4/28/58)



FOREMAN tells supervisor what's needed to correct machine.



SUPERVISOR totals day's production records—parts produced, etc.

Telecontrol Directs, Records Data In Central Room With Monitor

Jackson, Mich.—A new control system directs and records production from a central point. Called Telecontrol, and made by Control Systems Co., Div. of Hancock Industries, Inc., it reports what's happening at every production machine.

Paperwork by shop foreman and supervisory personnel is eliminated. And management gets accurate cost and production figures faster.

A central dispatch room houses a monitor and one control cabinet for every 20 machines. Each machine has a control box linked to the dispatch room. The box has a red and green light, reset button, alarm switch, key switch, and telephone jack. Both lights are duplicated on the control cabinet.

When the machine operates normally, the green lights are on. When an operator needs help, he pushes the alarm switch. The red light on his box and on the control cabinet flashes his signal. A supervisor stationed in the dispatch room calls the shop foreman via a public address system. He is given the number of the machine needing help.

At the machine the foreman diagnoses the trouble. He plugs his phone into the box and relays the information to the dispatch room. There the supervisor directs help to the machine.

If a machine must be put out of operation, the foreman can signal the dispatch room through a key switch. The length of time a machine is not operating also registers on the control cabinet. The

foreman can move the machine's operator to another machine if it looks as though downtime is going to be lengthy.

Each control panel, besides the red and green lights, has four registers. They tally productive time, downtime, number of parts produced during a shift, and the balance of the unfinished order.

When a foreman turns his key the productive-time register stops and down time starts. A red light for that machine glows steadily. A steady green light means normal operation.

As soon as the balance register reaches the total of parts to be made, the green light flashes to tell the supervisor that the order is completed. He then orders the operator to stop his machine.

At the end of each shift, the supervisor transfers all production statistics to a five-channel add-punch machine for use by purchasing, accounting, production, and engineering.

Hancock claims these benefits:

- Reduction in non-productive time.
- One source for all information needed by management.
- New production jobs can be easily and quickly checked.

The company says its installation has saved it nearly \$100,000 in the first year—\$80,000 in non-productive payroll and \$20,000 in downtime. Cost for the system runs about \$250 a machine; Hancock has 200 machines. More or less machines changes the cost proportionately.

Your Weekly Guide to New Products — (Continued from page 22)



Returnable Container

For Shipping Corrosive Chemicals

Jalboy consists of a polyethylene inner container with a steel drum outer jacket. Jalboy is made in two sizes: standard weight 14-gal. (with 5 $\frac{3}{4}$ -lb. inner container), and the heavy duty 13-gal. (with 8 $\frac{3}{4}$ -lb. inner container). Exterior of the steel container is coated with a phenolic-based material to resist corrosive atmospheres and spillage. Cover can be obtained coated with vinyl.

Price: from \$10 to \$12.50 (in lots of 100). Delivery: immediate.

Jones & Laughlin Steel Corp., Container Div., 405 Lexington Ave., New York, N. Y. and Plax Corp., Bloomfield, Conn. (4/28/58)



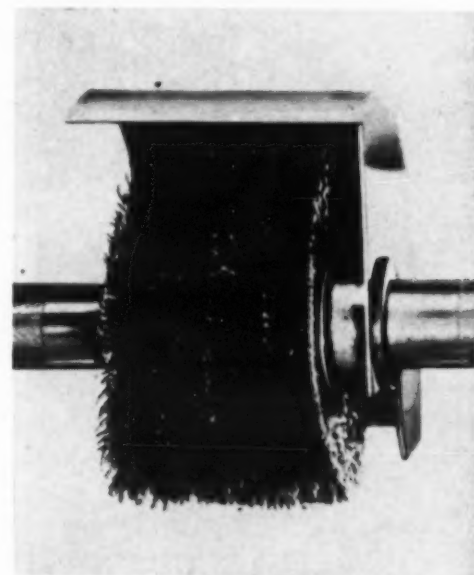
Change-Dispenser

Also Acts as Cash Register

Change-dispensing cash register automatically calculates and dispenses the correct amount of change due a customer. Register consists of two units: A change computing register and an automatic coin dispenser located separately from the register for the convenience of the customer. After ringing up sale, checker records money tendered by the customer. Register computes correct amount of change then lets dispenser release automatically proper coins to the customer.

Price: \$375. Delivery: from immediate to 4 wk. after July 1, 1958.

National Cash Register Co., Dayton, Ohio (4/28/58)



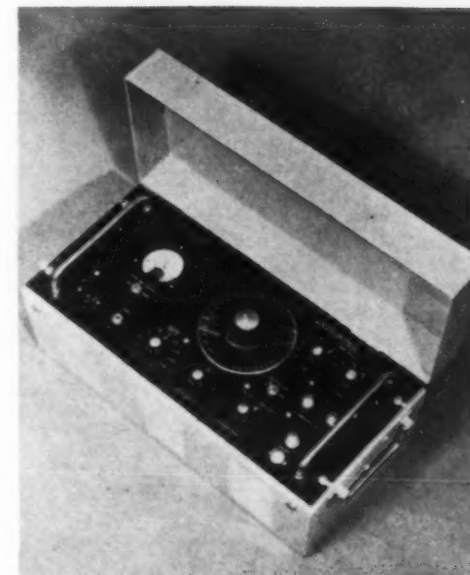
Abrasive Belt Cleaner

Restores Cutting Power

Hapomit abrasive belt cleaning unit is a hand tool which is designed to restore the cutting power of clogged abrasive belts and increase their useful life. When gradually applying the hand brake, the rotating steel wire brush takes all waste material out of the heavily clogged abrasive belts in a matter of seconds.

Price: \$15 delivered. Delivery: immediate.

Henley and Company, Inc., 202 East 44th St., New York 17, N. Y. (4/28/58)



Waveform Analyzer

For Low Frequency Design Work

Type A-321 is a portable instrument simple to operate, yet possessing sufficient selectivity to satisfy modern low frequency design work. Since the level stability is within 1 db for any setting of the voltage control over a period of an hour, the unit can also be used as a selective voltmeter. Unit is a superheterodyne type and measures directly the relative levels of the components of a complex waveform to a value -75 db. below the fundamental over a frequency range of 50 to 20,000 cps.

Price: \$990. Delivery: 4 to 6 wk.

Wayne Kerr Instruments, P.O. Box 801, Philadelphia 4, Pa. (4/28/58)



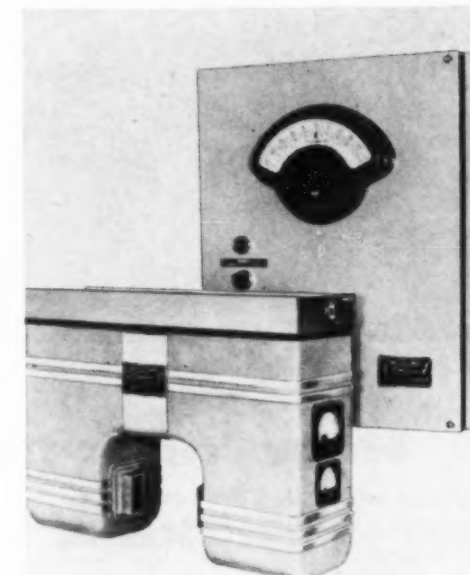
Diaphragm-Operated Valve

For Steam, Hot, and Cold Water

Model C786 $\frac{1}{4}$ in. NPT 125 psi. 3-way NC valve offers compact design for simplified installation and leak-free performance. Body, yoke, ring, and piston are cast Navy M bronze, with cast iron body optional. Disc holders and gland nuts are bar brass, stem in stainless steel, and spring is chrome silicon steel. Adjustable stem packers and special composition seats assure leak-free operation in the specified service, it is said. Both stem packing and seat discs are easily replaced.

Price: \$17.50. Delivery: immediate.

Sinclair-Collins Valve Co., 454 Morgan Ave., Akron 11, Ohio (4/28/58)



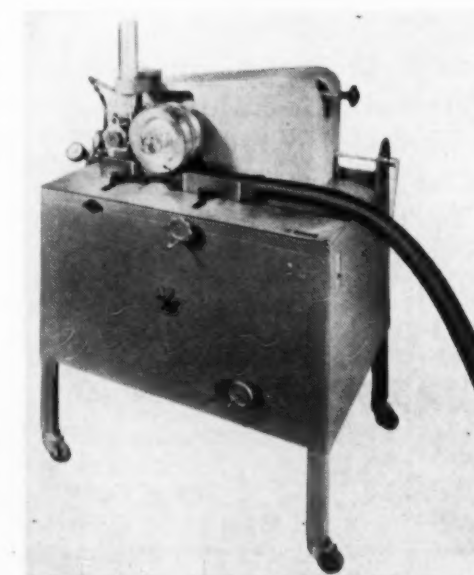
Electronic Gage

Measures Electric Cable Diameter

Microlimit Control Cable Gage continuously measures the diameter of insulated cable as insulation is applied. It also controls production equipment to hold the diameter within close tolerances. Instrument signals control equipment when diameter deviations exceed preset limits, and this equipment activates extruder or capstan so that more or less insulating material is applied as required. A strip chart recorder provides a continuous record of diameter deviations.

Price: about \$3,000. Delivery: about 8 wk.

Industrial Gauges, Corp., West Englewood, N. J. (4/28/58)



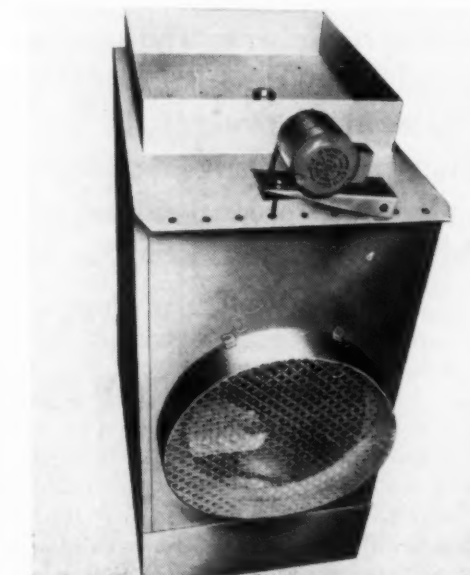
Tube Marker

Prints at 150 Ft. Per Minute

Model 89A machine leaves a sharp, clear marking on tubular material with even coverage by means of precision-molded rubber printing plates and pressure-fed, air-dry specialty inks. Machine is equipped with a printing head and drive roll which move the tubing through the printing cycle and eject it after printing. Tubing is fed by the operator through the work guides, and speed ranges from 100 to 150 ft. per min. Two knobs adjust printing head height and work guide spacing.

Price: \$5,100. Delivery: 90 days.

Special Products Div., Markem Machine Co., Keene 48, N. H. (4/28/58)



Cooling Tower Line

In Capacities from 8 to 75 Tons

Hydra-Glide line of induced-draft water cooling towers can be used with commercial and industrial air conditioning systems. Model 3108, the 8-ton unit, operates in 10.2 sq. ft. of floor space. Model 3175, the 75-ton tower, functions in 47 sq. ft. Towers have as standard equipment a long-lasting plastic coating; venturistype fan throat; drift eliminators; stainless steel fan shaft, and overflow and drain fittings. Each is pre-assembled at the factory.

Price: \$272 to \$11,777. Delivery: 2 wk.

Mason Products, Inc., 317A Main St., West Concord, Mass. (4/28/58)

More New Products



Pressure-Proof Submersible Motors

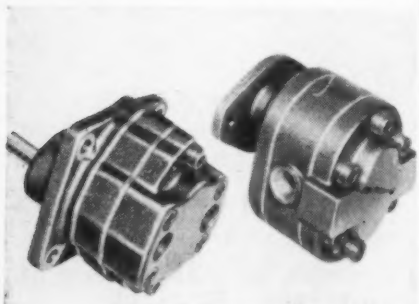
Polyphase, single-voltage submersible motors are available in sizes from $\frac{3}{4}$ through 15 hp. Special universal mounting flange is designed for direct connection to most standard pumps; modifications can be made to meet special dimensional requirements. Motor base is precision-machined for true concentricity of shaft, providing easy, vibrationless close-coupling to the pump impeller with no painstaking alignment; motor shaft serves as the pump shaft. Pump-and-motor assembly can be lowered into mounting position and attached as a single unit. Integrally cast rings at the top edge of the frame permit convenient, balanced handling. Single-unit, ribbed cast-iron motor frame is completely corrosion-proof. Plated bolts and stainless steel nameplate are impervious to most types of corrosive liquids. Price: Start at \$225 (for $\frac{3}{4}$ hp. unit). Delivery: 4 wk. **Reliance Electric & Engineering Co., 24701 Euclid Ave., Cleveland 17, Ohio (4/28/58)**

Tax Calculator

Tax calculator is a device for calculating withholding taxes and the new $2\frac{1}{4}\%$ social security (F.I.C.A.) taxes. Device is said to give split-second, 100% accurate, direct reading of taxes, calculated to the penny. It is a $4\frac{1}{2} \times 11$ in. flat envelope sleeve made of heavy duty lifetime vinyl plastic with a printed inner sliding chart. User slides the chart to the desired weekly wage figure and the amount of tax appears automatically in the clear window. Withholding taxes on weekly wages from \$0 to \$150, computed from 0 to 7 exemptions, can be read instantly on the calculator. Price: \$5. Delivery: immediate. **Melcar Office and Business Equipment, 480 Canal St., New York 13, N. Y. (4/28/58)**

Fluid Motors, Hydraulic Pumps

Powermax is a series of hydraulic pumps and fluid motors for continuous service pressures to 1,500 psi. Units are issued in



seven different models with pump capacities ranging from 1.2 to 14.2 gpm. Pumps and motors are provided for speeds to 3,600 rpm. Both pumps and motors are of the gear type, using precision ground involute spur gears of heat treated alloy steel. Compact, space saving design particularly qualifies them for applications where space is at a premium. Construction features include large heavy duty anti-friction bearings; hard long wearing double wear plates of a special

bronze alloy; double lip type shaft seals; generously proportioned heat treated alloy steel shaft; heavy duty outboard ball bearings for over hung shaft loads. Price: from \$48.75 to \$80. Delivery: immediate. **Tuthill Pump Co., 939 East 95th St., Chicago, Ill. (4/28/58)**

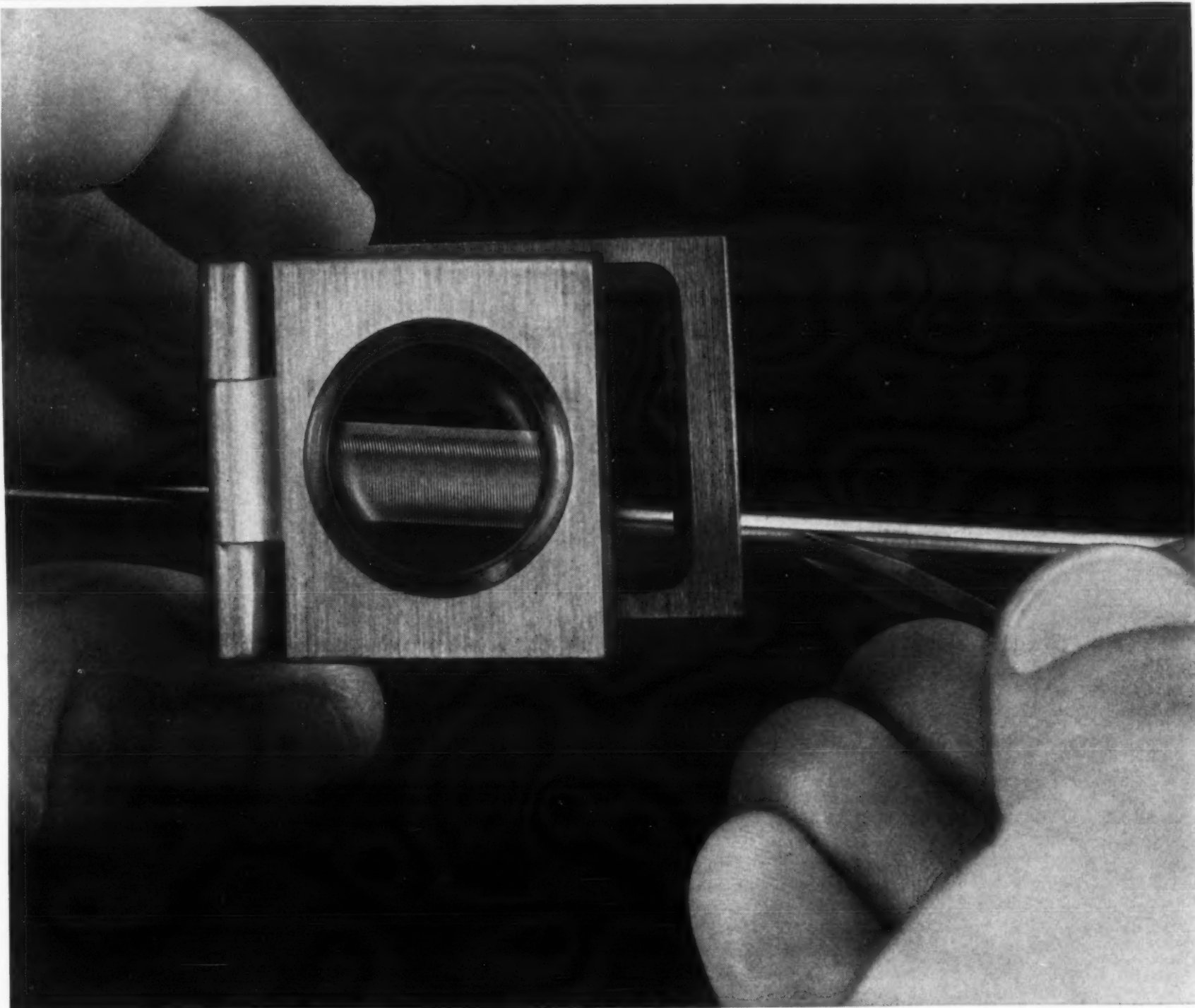
Bright Welding Wire

King brand bright wire with a superior quality surface is designed for metal inert gas (MIG)

welding processes. It is said to improve the quality and consistency of aluminum welding. King brand bright surface welding wire is available in 1 and 10 lb. spools in diameters ranging from 0.020 to $\frac{1}{8}$ in. Welding wire is produced in 1100, 4043, 5154, 5254, 5052, and 5356 alloys. Brand name King stands for Kaiser INert Gas. Price: In 1100 alloy: \$2.22 lb. (.030 dia.); \$1.67 lb. (.040 dia.); \$1.46 lb. (.0469 dia.); \$1.30 lb. (.0625 dia.); \$1.13 lb. (.0937 dia.); \$1.06 lb. (.1250 dia.) with 5,000 lb. order. Delivery: 3 wk. **Kaiser Aluminum & Chemical Sales, Inc., 919 North Michigan Ave., Chicago 11, Ill. (4/28/58)**

Drafting Pencil

Mars Technico push-button lead holder pencil has a knurled finger-grip which prevents pencil from slipping in the hand. Lead holders are balanced, light in weight, have clutch mechanism that holds leads securely. Mars Technico is available with degree-markings (both fixed and adjustable) for identification of leads. For color drafting, lead holders have color-indicator tops for use with Lumochrom color leads. Since all Lumochrom colors reproduce, the draftsman can distinguish between elements on the master drawing. Lumochrom leads come in 24 colors.



How "high fidelity" in music spring wire licks a big production problem

Leading producers of carbon paper apply the carbon coating by means of steel rods closely wound with hair-fine music wire. The wire-to-wire valleys, as determined by wire diameter, control the amount of carbon deposited.

Here is a case where product quality and smooth, uninterrupted production are both dependent on extreme uniformity in the fine wire being used—

extreme uniformity in diameter, finish and temper.

This super-critical wire is produced by the Worcester Wire Works Division of National-Standard. Because it does the best job by production comparison, it's naturally preferred. Keep this in mind and check with the Worcester Wire Works Division on your next need for fine wire if quality control is at all a factor. You'll get the finest of service, too!

NATIONAL



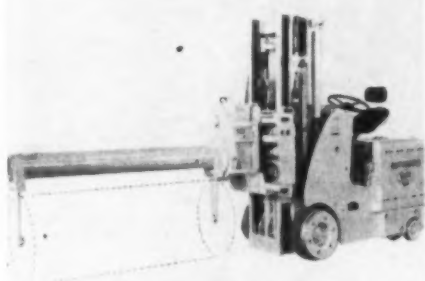
STANDARD

DIVISIONS: NATIONAL-STANDARD, Niles, Mich.; tire wire, stainless, music spring and plated wires • WORCESTER WIRE WORKS, Worcester, Mass.; music spring, stainless and plated wires, high and low carbon specialties
WAGNER LITHO MACHINERY, Secaucus, N. J.; metal decorating equipment • ATHENIA STEEL, Clifton, N. J.; flat, high carbon spring steels • REYNOLDS WIRE, Dixon, Ill.; industrial wire cloth

Price: \$1.75. Delivery: immediate. **J. S. Staedtler, Inc., Hackensack, N. J. (4/28/58)**

Nylon-Enclosed Mercury Switch

Nylon-enclosed mercury switch resists harmful effects of shock and splashing fluids. Manufacturer claims switch is especially suited for photographic and testing applications where chemical splash is a factor, because it is unaffected by water or vapor and is highly resistant to oil, alkalis, and acids. Model 7 MP1-2 consists of a glass tube mercury switch embedded in a synthetic rubber compound and enclosed inside a nylon can. Resilient embedment material lessens the effect of vibration and provides insulation and a seal for the lead entrance. Small operating force and the ability to repeat operation at the same angle of tilt assures precision performance of the sensitive switch. Price: \$1.17. Delivery: immediate. **Micro Switch, Div. of Minneapolis-Honeywell, Freeport, Ill. (4/28/58)**



Fork Truck For Mill Rolls

Electric fork lift truck is designed for tiering mill rolls. Rolls weighing up to 1,500 lbs., and 24-in. wide can be lifted onto racks 146 in. high. Flanges mounted on the outside of the truck's wheel rims make it possible for the truck to run on rails installed in the floor, preventing tipping while loading heavy loads on high racks. Price: \$6,200 attachment only. Delivery: 6 to 7 months. **Automatic Transportation Co., 149 West 87th St., Chicago 20, Ill. (4/28/58)**

Cast Acrylic Sheet

Plexiglas G provide maximum flatness for applications that do not involve forming, such as glazing. It has the advantage of uniform shrinkage for uses where sheets are silk screened or cut to size in the flat before forming. To allow for shrinkage when the sheets are heated and formed, Plexiglas G sheets are supplied untrimmed. Thicknesses of 0.060 to 0.250 in. are offered in colorless transparent and in colors. Extra-large sheets with patterned and matte-finish surfaces is also available. Price: 58¢ sq. ft. (0.060), 62¢ (0.125), 92¢ (0.250) colorless unmasked material in minimum of 1,000 sq. ft. Delivery: immediate. **Rohm & Haas Co., Philadelphia, Pa. (4/28/58)**

Where Can I Buy?

Do You Know the Source?
The Record to Date

Reader's requests	99
Staff answered	85
Published in PW	14
Answered by readers	9
Unanswered	5

Profitable Reading for P.A.'s

"Reading Maketh a Full Man"—Bacon

Being a Modern Executive

The Efficient Executive. By Auren Uri. Published by McGraw-Hill Book Company, Inc., 330 West 42nd St., New York 36, N. Y. pp: 308. Price: \$4.95

The executive of yesterday got ahead through production ability and individual aggressiveness. But today's top management man must be a group member, public relations director, and communications executive all rolled into one.

On this basis the author analyzes and interprets the job of the modern executive. The author gives his own, well developed techniques of operating an office, communicating up and down the line, hiring subordinates, and a host of other specific management functions.

The author tries to show how the modern manager, under pressure from above and below, can operate most effectively in the modern business environment. He divides the management operation into organization, job, and self-dictated activities. All three areas are analyzed as to the qualities necessary for success in the job, as well as with the corresponding people in the organization.

A careful reading of this book will help you analyze your skills as an executive. Many broad management problem areas including persuasion, cooperation, ideas, responsibility, and other hard-to-pin-down concepts, are presented and described in an interesting and factual way.

List of publications and materials of the American Petroleum Institute is given in 58-page catalog. It contains thumbnail descriptions of each publication, the code number and costs, and specific instructions on how each should be ordered. Copies may be obtained from Publication Section, American Petroleum Institute, 50 West 50th St., New York 20, N. Y.

Semi-finished polyethylene components in branch and linear polyethylene and polyvinyl chloride are described in new catalog. Complete range of sizes and weights for all components is included. It also specifies sheet, rod, block and bars. Copies may be obtained from American Agile Corp., P. O. Box 168, Bedford, Ohio.

Tenite polyethylene resins are described in 36-page booklet. The six basic uses for polyethylene—molding, pipe, film, coatings, blowing, and wire and cable covering are given. A detailed table of specifications gives product designers, manufacturers and purchasing personnel a quick look at the range of properties offered by Tenite polyethylene. Copies may be obtained from Eastman Chemical Products, Inc., Kingsport, Tenn.

Plug-in busway with aluminum conductors is the subject of 24-page booklet No. GEA-6173. Features, applications, ratings, construction information, de-

scription, dimensions, weights, installation instructions and guide-form specifications are listed. Copies may be obtained from Advertising and Sales Promotion, Distribution Assemblies Department, General Electric Co., Plainville, Conn.



Line of latches, hinges, and gasketing material for the sheet metal industry is presented in catalog. Described are access door hardware, access doors, and damper hardware. Catalog can be obtained by writing to Ventfabrics Inc., 640 North Kedzie Ave., Dept. 236, Chicago 12, Ill.

Overhead trolley conveying systems are described in 8-page brochure. Blueprints, specifications and descriptions of components such as wheels, trolleys, chain, take-ups, drive units, roller turns, traction wheels, and trolley and chain attachments are given. Instructions on making the chain pull calculations necessary to select the proper drive unit are also included. Brochure is available from Alvey-Ferguson Co., Cincinnati 9, Ohio.

Industrial television equipment for business and industry is described in brochure entitled, "How Many Jobs." Brochure covers different types of cameras, control units, monitors, accessories, and projection systems. Varied applications, including installations with unusual engineering requirements are also described. Copies are available from General Precision Laboratory, 63 Bedford Road, Pleasantville, N. Y.

How equipment operators and owners can get maximum service out of off-the-road tires is described in 52-page booklet. It includes a complete line of off-the-road tires and carries data on load and inflation, weights and measures, tire specifications for 1957 motor graders, self-propelled scrapers and tractor-drawn scrapers plus valve and rim information. Booklet is available from B. F. Goodrich Tire Co., Akron, Ohio.

Phosphate coatings on steel for bonding paint and protecting the metal from underfilm corrosion are described in 4-page brochure. Coatings can be easily and economically applied to the surfaces by dipping, spraying, or brushing. Copies are available from American Chemical Paint Co., Ambler, Pa.

How masonry water repellents should be specified is described in two booklets. Booklet CDS-118, "How to Specify an Effective Masonry Water Repellent", details the use and benefits of silicone repellents. Booklet CDS-120, "How to Reduce Maintenance Costs with Silicone Masonry Water Repellents," outlines how silicones minimize the various types of damage which results when water penetrates masonry surfaces. Both are available from Silicone Products Dept., General Electric Co., Waterford, N. Y.

Underfloor electrical feeder distribution systems for cellular steel floors are described in 32-page catalog No. 673. Uniform streamlined and standard type fittings, specifications, tools for installation and a numerical index is included. Suggested procedures for installing ducts and fittings is also given. Catalog is available from Advertising Dept., National Electric Products Corp., Gateway Center, Pittsburgh 22, Pa.

Corrosion-proof PVC linings are described in handbook No. LC-58. It includes individual characteristics of conventional flexible lining, special non-toxic white PVC flexible lining, and the new unplasticized PVC lining, called "Fligid". Comparison between conventional and unplasticized linings in terms of their resistance to a wide range of acids, salts, plating solutions is also included. Handbook is available from Kaykor Industries, Inc., Div. of Kaye-Tex Mfg. Corp., Yardville, N. J.

Proper selection of centrifugal pumps is described in 6-page article. It explains the correct method of super-imposing process system and pump hydraulic characteristic data to select correct and most economical-size pumps. Pump features and impeller design suggestions for pumping corrosive and erosive media is also included. Copies are available from Centrifugal Pump Dept., Ampco Metal, Inc., Milwaukee 46, Wis.

Fans combining tubular compactness with centrifugal performance are described in 16-page catalog. Application of tubular centrifugal fans to air conditioning, ventilation, and industrial processes is covered. It also gives dimensions and other specifications for direct or V-belt drive installations. Catalog is available from Dryer Electric Corp., 164-166 Wallabout St., Brooklyn 6, N. Y.

Standard lumped constant delay lines are described in 4-page catalog. Over 275 different lumped constant delay lines covering standard impedance ranges from 50 to 10,000 ohms and delays from 0.25 up to 5,000 microseconds is listed. It also covers many special delay lines with extra ordinary characteristics which reflect new advancements in the state of the art. Copies are available from Control Elec-

tronics Co., Inc., Huntington Station, N. Y.

Model Q double-way, tracer type automatic lathes are described in Bulletin Q-57. Specifications, features, diagrams of tooling set-ups, chip disposal methods and types of turning and squaring carriages are included. Copies may be obtained from Seneca Falls Machine Co., 14 Fyfe Building, Seneca Falls, N. Y.

Plastic sheets, rods, tubes, films and lay-flat tubings are described in 64-page catalog. Available sizes, weights, color ranges, textures, purchasing specifications, grades and prices are listed. Two-page comparison table of chemical, electrical and mechanical properties is also included. Catalog is available from Cadillac Plastic & Chemical Co., 15111 Second Ave., Detroit 3, Mich.



Facilities and services offered by maker of hermetic seals and terminals is described in brochure. A consulting engineering service is offered without obligation. Copies are available from Glass-Tite Industries, Inc., 88 Spectacle St., Cranston 10, R. I.

Aerostatic dust collector is described in 6-page bulletin, No. MSP-124 A. Principle of selective particle acceleration is illustrated by a sequence of drawings showing relative speeds and flow patterns for various size dust particles as they pass through the spiral vaned inlet ports. Bulletin is available from Gas Cleaning Dept., Hagan Chemicals & Controls, Inc., Hagan Building, Pittsburgh 30, Pa.

Speedway electric hoists are described in 8-page bulletin, No. DH-133D. Data on construction details, weights, dimensions, suspensions, specifications, clearances, accessibility and other general information for plant operators is included. Bulletin can be obtained from Wright Hoist Div., American Chain & Cable Co., Inc., York, Pa.

Nylon-enclosed mercury switch is described in data sheet No. 144. Photographs, including a cutaway view, price information, mounting clip data, drawings and electrical rating are included. Copies can be obtained from Micro Switch, Div. of Minneapolis-Honeywell Regulator Co., Freeport, Ill.



Substation Uses Aluminum Girders

Chicago—A new substation erection method, based on using standard prefabricated aluminum components, has been developed by Handley-Brown Co., Jackson, Mich.

The first installation, a 46 kv. substation for Consumers Power Co., Alma, Mich., is expected to be erected in less than a day, using the "Alrectic" method.

By reduced engineering, transportation and field assembly costs, the new system is claimed to be competitive with conventional galvanized steel construction. Savings in maintenance are also claimed.

Eastern Office Opened

San Francisco—Sundstrand Turbo, division of Sundstrand Machine Tool Co. has established an eastern office in Washington, D.C. to provide better liaison and service to military agencies and defense contractors. David MacMorris will be the eastern representative.

New Concern Formed

Denver—A new firm, Colorado Process Equipment Co., has been formed to make stainless steel heat exchanges, pressure vessels, and piping systems for sugar refineries and other chemical plants in the region. The firm

will also act as sales representatives for Process Engineering Co., Methuen, Mass., and Jackson-Markus Supply Co., Los Angeles.

Timken Roller Bearing Modernizing Grinding

Canton, Ohio—Timken Roller Bearing Co. will invest over \$3 million on modernizing the cup and cone grinding departments of its Canton and Columbus bearing plants, plus new major equipment for its Bucyrus bearing plant.

Timken has ordered 117 machines, including cup and cone grinders, cone honers and cup air gages, from the Heald Machine Co. and Cincinnati Milling Machine Co. for delivery in late 1958.

Composition Developed

Wilmington—Hercules Powder Co. and Godfrey L. Cabot, Inc., have developed a new polyethylene-carbon black plastic composition. The material will be used for insulating and jacketing wire and cable, forming pipes and tubes, and for compression and transfer molded products.

Distributor Selected

Milwaukee—A. O. Smith Corp. has named Allington & Curtis Mfg. Co., Saginaw, Mich., an exclusive distributor for its Permaglas Mechanized Bulk Storage units. Allington & Curtis will cover the Michigan, Northern Ohio, and Northern Indiana areas.

DuPont Plans Expansion

Wilmington—DuPont's Electrochemicals Department plans to build a unit to make two new polyvinyl acetate emulsions at their Toledo, Ohio, plant. The emulsions are "Elvacet" 1423 and "Elvacet" 1440.

Distributor Selected

Milwaukee—Allis-Chalmers Mfg. Co. has appointed F. Hallock Co., Derby, Conn., distributor for Texrope drives in Fairfield and New Haven counties.

Kroehler to Produce New 'Cultured Wood'

Chicago—Kroehler Mfg. Co., big Naperville, Ill., furniture manufacturer, has developed a new wood product called "cultured wood." It is similar to particle wood but can be made more cheaply. D. L. Kroehler, president, told the firm's annual stockholder meeting in Chicago.

Shorter pieces of lumber, waste, and sawdust are processed with chemicals and heated to make cultured wood. Kroehler said the new wood will mean an additional \$1.5 million will be spent for machines and tooling at the new Kroehler plant at Meridian, Miss.

Kroehler also announced it is cutting prices on leading promotional items in a move to get more consumer spending power into circulation.

Engineers Say Parts Reduce Replacement

Saginaw, Mich.—Foundry engineers at Baker Perkins, Inc., believe ductile cast iron holders, produced for several machine tool builders, are paying off for broaching machine builders.

Baker Perkins engineers report a 40% reduction in broach holder re-machining or replacement with the use of ductile cast iron. The chief advantage of the material is its ability to remain stable while finish machining the holders, and then after they are in use. There is no interrupted heat treatment between the rough and finish machine processes, and distortion is nil even after months of use, Baker Perkins claims.

Howell, Ohio Electric Will Submit Merger

Cleveland—Directors of the Ohio Electric Mfg. Co., Cleveland, and Howell Electric Motors Co., Howell, Mich. have approved a merger plan which will be submitted to a special shareholders' meeting about May 15.

If the plan is approved by shareholders, the new corporation will operate as the Howell Electric Motors Co., but will retain the Ohio, Kingston-Conley, and Howell tradenames.

Distributor Chosen

Cleveland—Ohio Gear Co., manufacturers of stock and special gears and speed reducers, has named Washington Belting & Rubber Co., Seattle, a local distributor for the State of Washington. Mill & Logging Supply Co., Aberdeen, Wash., will also carry local stocks of Ohio gears.

New Company Formed

Burbank, Calif.—A new company, A.W.C., Inc. has been formed through the merger of Alliance Tube Bending Co. and Aircraft Welding Co. The new company will manufacture welded and tubular assemblies in additional facilities here.

Plastic Plant Planned

Houston, Tex.—National Petro Chemicals Corp. will start construction shortly on its \$20 million plastics plant. The plant will produce 75 million lb. of polyethylene a year.



AUTO-VAC CO. display draws a group to its lamination demonstration.



I.B.M. DISPLAY was popular because of its information on computers.

Design Engineering Conference Is Eye-Opener to Future Items

Chicago Show Stresses Product Information; Layout Emphasizes Search for New Purposes

Chicago—Purchasing agents visiting the recent design engineering conference and show here found the experience an eye-opener for the future.

Half again as big as last year's exposition, the 1958 layout was loaded with product information. Emphasis, from the P. A. point of view, was on materials and components, especially new uses and adaptations of materials to new products and processes. The continuing efforts of manufacturers to make their products serve wider purposes were clearly evident.

Visitors noted a definite trend toward packing exhibition booths with more items and products—dozens where, in the past, only one or two were featured.

Everything that could interest the design engineer—and eventually the purchasing department—was included in the 12,000 products displayed by the 411 exhibitors at an estimated cost of \$10 million. The big push, of course, was on the "sell" angle in the recession market.

A few of the exhibits which caught the eye of a show visitor included:

Dixon-Sintaloy, Inc.'s iron-nickel alloy, composed 50% of each metal and developed for the powder metallurgy field. The company said the new alloy, sintaloy M-55, has high permeability, is especially suitable for

electronic components; and although it is mainly for use in relays for missiles and computers, its applications are expected to grow.

Electro-Metallurgical Co.'s stainless steel, colored black by its new permyron process which enables fabrication by deep drawing after coloring.

Corning Glass products, such as bearings, made by its pyroceram process and designed to operate at very high temperatures without lubrication.

Both Electro-Metallurgical and Mallory-Sharon included titanium in their displays among other "wonder" metals.

Arvin Industries sought suggestions on ways to use a new sandwich structure process it developed. Called "stalagmite," it makes possible engineering of cores in many unusual forms and could replace the paper honeycomb in some cases, Arvin said.

Du Pont displayed Delrin, which it expects to have on the market by mid-1959. This acetal resin can be used in injection molding and extrusion.

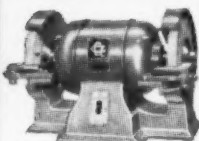
Superior Steel & Malleable Castings Co., anticipating some "How's business?" questions handed out pocket cards stating "business is good . . . we think it's about time everybody quit griping and went to work. See us at booth 514 for some new ideas about cast products."

WHERE-TO-BUY

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This WHERE-TO-BUY section is a special classification for advertisers desiring advertising of new equipment, services or merchandise in space units smaller than the minimum run of book display space. Space is available in this section in units from one to six inches. For low rates, Write:

PURCHASING WEEK POST OFFICE BOX 12 NEW YORK 36, NEW YORK

Smith-Corona, Marchant Agree on Merger Plan

New York—The directors of Smith-Corona, Inc. and Marchant Calculators, Inc. have agreed "in principle" to a merger proposal. A formal agreement will be submitted to the boards and shareholders of the two office equipment firms shortly for their approval.

The executives said the merger would provide a more diversified base of operations. The products of the two companies complement one another, particularly as they apply to the field of data preparation and processing.

Climax Molybdenum Makes Active Catalyst

New York—Climax Molybdenum Co.'s Langeloth, Pa. plant is producing molybdenum pentachloride (MoCl_5), an active catalytic agent, in semi-works quantities.

Effective in the chlorination of aromatics and in alkylations of the Friedel-Crafts type, the catalyst has a broad range of possibilities as an intermediate. A bulletin describing the physical and chemical properties of molybdenum pentachloride is available from Climax Molybdenum Co., Chemical Sales and Development, 500 Fifth Ave., New York 36.

Morrison-Merrill Buys Material Supply Co.

Denver—Morrison-Merrill & Co., Salt Lake City has purchased Material Supply Co. at Denver and plans to more than double present facilities of this wholesale distribution firm.

L. E. Sims, former co-partner in Material Supply, is heading the new Morrison-Merrill branch as manager. Sims said the firm will sell and distribute building materials through warehouse and carload operation to lumber retailers throughout the Rocky Mountain area.

Barium Steel Signs New Jersey Site Pact

New York — Barium Steel Corp. has announced an agreement with the Pennsylvania Railroad for purchase of a New Jersey site for construction of a new steel plant.

Barium's plans call for construction of an integrated steel mill with a 2 million ton-a-year capacity. It will produce wide plate, structural shapes, including wide flange beams; bar products, and seamless pipe and tubing.

The plant will be located along the Delaware River in Burlington County.

Claims Molding Process Accurate and Cheap

Richmond, Ind. — Swayne, Robinson & Co. announces it has added another molding process for production of precision castings. Swayne, Robinson calls its process Azcast. It is applicable to any metal.

Using the CO_2 method of curing

sand, the company says castings are produced which will hold plus or minus fifteen thousandths dimensions. Azcast will have the dimensional accuracy of shell-mold castings, combined with the lower cost of green sand, the company said.

Sales Agent Selected

New Rochelle, N. Y.—Gries Reproducer Corp., makers of industrial fasteners and die cast zinc alloy and molded nylon consumer hardware products, has appointed Arthur S. Reid & Associates, Weston, Mass., exclusive sales agent for New England.

F. J. Stokes Corp. Builds Research Laboratory

Philadelphia—F. J. Stokes Corp. has established a new laboratory for expanded research and development in plastics molding technology.

The facilities and services of the laboratory are available to outside firms on a contract basis. Stokes will broaden its research activities to include new designs or adaptations of its automatic compression and injection molding equipment; evaluating new plastics materials in terms of their molding properties; and testing customers' individual molds on

the specific models of Stokes presses in which they will be used.

Atkins Technical Formed To Handle Imports

Cleveland—A new firm, Atkins Technical, Inc., has been formed here to act as import merchants and resident agents for European and Japanese manufacturers and exporters.

The company initially will handle laboratory apparatus, instruments and supplies for direct distribution, and will analyze items being considered for importation.

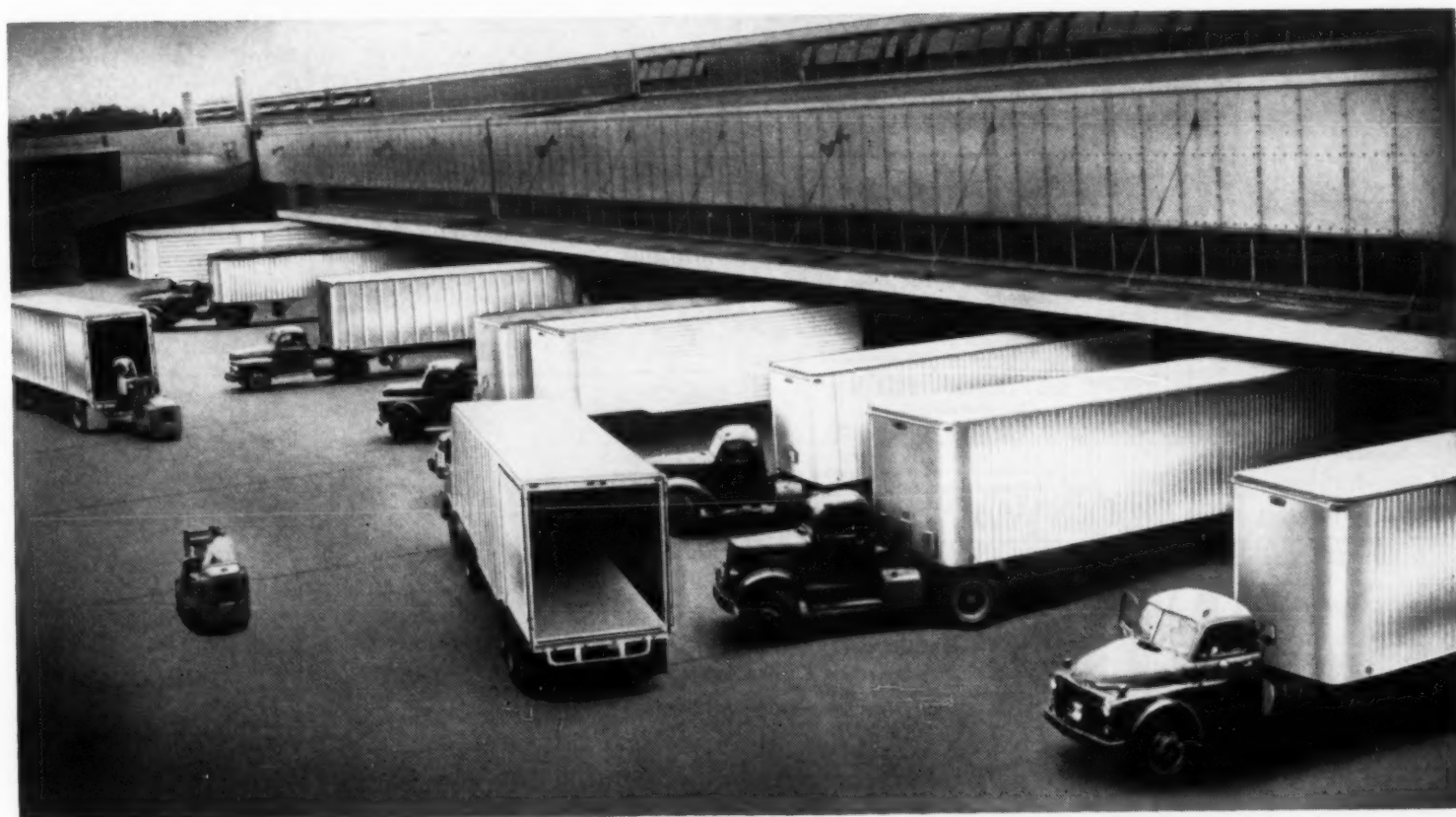
West Virginia Pulp To Buy Bag Plants

New York — West Virginia Pulp & Paper Co. will purchase two multiwall bag plants from Arkell & Smiths, subject to the approval of the latter company's stockholders. The plants are located at Wellsburg, W. Va., and Mobile, Ala.

Acquisition of these operations marks West Virginia's entry into the multiwall sack converting field. The Wellsburg plant makes only multiwall sacks, while the Mobile plant makes both sewn and pasted multiwall bags, paper pockets and baler bags.

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Union Twist Drill Co. Adopts Quantity Pricing

Athol, Mass.—Effective immediately, "quantity pricing" has been adopted by Union Twist Drill Co. Under the new policy, volume purchasers of fast moving small drills will be given 5%-20% discounts from old price levels.

A company representative stated that both distributors and large-quantity consumers will get the volume discounts. This pricing policy, new in the drill trade, has been the rule for grinding wheels, hacksaws, and other metalworking tools.

Along with the present volume price cuts, Union announced increased prices of 5%-10% on very small drill orders. Other varying price changes affect large-size, slow-selling drills.

Indications are that most other major twist drill firms will meet the new Union prices.

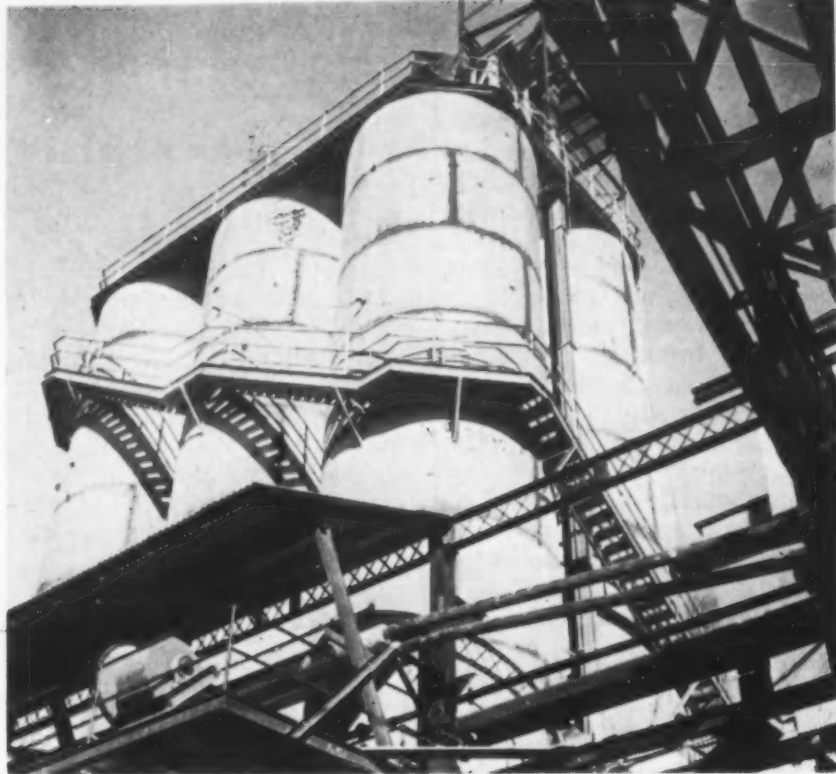
Texas Instruments Plans Cuts on Transistors

Dallas—Price reductions ranging from 5%-25% on entertainment type germanium transistors, effective May 1st, have been announced by Texas Instruments Incorporated.

According to Mark Shepherd, Jr., vice president, the price reductions are the direct result of increased volume of production, and reflect economies in production costs on selected germanium types. He also said that the price reductions are expected to broaden the range of commercial entertainment applications for germanium transistors.

Division Decentralized By Texas Instruments

Dallas—Texas Instruments, Inc. has decentralized its semiconductor-components division



Olin Mathieson Adds Dense Soda Ash Plant

Saltville, Va.—Olin Mathieson's industrial chemicals division has just completed construction of production and storage facilities (above) for dense soda ash at its Saltville plant. The company expects the \$1 million addition to give customers better service through shorter shipping times.

Addition of dense soda ash at

Saltville, which also produces light soda ash, caustic soda, chlorine, and other chemicals, will meet current and future needs of the glass industry, according to Olin Mathieson Vice President John O. Logan. Much of the dense soda ash used in the plant area formerly was shipped from the firm's Lake Charles, La., plant.

to improve product and customer services. Six new product departments which have been formed to comprise the division's operations include: silicon products, germanium products, diodes and rectifiers, special germanium devices, resistors, and capacitors.

Cement Plant to Close

Allentown, Pa.—Lehigh Portland Cement Co. will close its Ormrod plant for at least a year due to decline in cement demand. The plant's capacity is 1.4-million bbl. a year.

Worthington personnel on selection, construction, application, installation, and maintenance of rotary and centrifugal pumps in Newark, Cleveland, Ohio, and Chicago, Ill.

Engineers, operating and maintenance personnel interested in these technical problems will be invited to discuss their particular problems.

Hyalyn Porcelain Adds New 'Skin Packing'

Hickory, N. C.—Hyalyn Porcelain Inc. has installed new "skin packing" equipment for use in packing and shipping ceramics.

Using polyethylene to tie ceramic pieces to cardboard, the "skin pack" method eliminates need for shredded paper or excelsior. Company officials say the new method will effect a saving on freight, permit minimum breakage, and eliminate debris when unpacking.

Kearfoot Inc. to Triple Asheville, N. C. Plant

Asheville, N. C.—Kearfoot, Inc., developer and producer of airborne components for planes and missiles, will triple the size of its plant to 87,000 sq. ft.

The company, a subsidiary of General Precision Equipment Co., New York, made the synchros which went into the Jupiter C missile which put the U. S. satellite into orbit.

Nicolet Opens Center

Florham Park, N. J.—Nicolet Industries, Inc. recently opened new executive offices and a research and development center, providing facilities to test Nicolet products and products of its customers.

Standard Sets Sales Force

Jenkintown, Pa.—Standard Pressed Steel Co. has set up a single sales force to handle its Hallowell shop equipment products and Columbia Steel Equipment Co.'s office equipment. Columbia Steel is a subsidiary.

New Plant Completed

Los Angeles—Frederick Post Co., Chicago-based manufacturers of engineering equipment and supplies, has moved into a new 22,000 sq. ft. plant in a \$600,000 expansion of its operations here.

RCA Announces Cut Of Transistors' Price

Somerville, N. J.—Price reductions of approximately 8% on seven germanium p-n-p alloy-junction type transistors were announced by the RCA Semiconductor and Materials Division.

The price reductions, apply to the RCA-2N109, 2N139, 2N140, 2N217, 2N218, 2N219 and 2N70 transistors. The new prices are additional evidence of the progress which RCA has made in the mass production of transistors for industrial, military, computer, and entertainment applications.

Technical Seminars Set By Standard Pump Div.

Harrison, N. J.—The Standard Pump Division of Worthington Corp., East Orange, N. J., is planning a series of one-day technical seminars in May and June.

Talks will be conducted by



Precision Gear Machines Available

Detroit—National Broach & Machine Co.'s new precision gear production facility is being made available to industry.

Not designed to compete with conventional gear jobbing shops, the facility's emphasis is placed on production of ultra-precision gears for engineering development.

In addition to the usual gear blanking and cutting, equipment includes extensive heat treating, gear shaving, and precision inspection facilities.

A battery of Red Ring shaving machines in the new National Broach gear production facility are shown above.

Kennecott Copper to Cut Western Mine Output

Salt Lake City—Production of Kennecott Copper Corp.'s Western Mining Divisions will be cut 20%, or about 11,500 tons monthly, in the third successive curtailment of copper output by the world's biggest producer during 1958.

C. D. Michaelson, Salt Lake City, general manager of Western Mining Divisions, said the methods of curtailment are being worked out by the divisions in Utah, Nevada, New Mexico, and Arizona.

Michaelson said the reduction was ordered to put output more nearly in line with current demand.

Kennecott said it would be operating at about 67% of its March, 1957 rate following this latest cut back.

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New P.W. Service Spots Key Price Trends, Helps P.A.'s Plan Buying

McGraw-Hill Indexes With Nationwide Acceptance Cover 7 Vital Industries; Report to Be Monthly

(Continued from page 1)
monthly analysis of price trends. They help you determine your "buy" or "wait" signals. They also provide a long-term picture of the price structure for your own purchase mix.

• In general, these indexes can provide you with some of the tools necessary to perform the extra or eye-catching job—the one that pays off when promotions come around. Specifically they give you yardsticks for figuring costs of almost any type job or purchasing operation.

A few further words are necessary on this last point. When, for example, you are contracting for or preparing the cost structure for a specific task or large order, the indexes can help you check the fairness of various estimates. They can lead to many specific questions on your part which can serve to lower your costs and better evaluate the "just price" for the job.

Can Be Price Deflator

The indexes can aid you in this task by performing the function of a price "deflator." You compare a similar job in the past with one you are contemplating. By using the appropriate index or group of indexes, you can eliminate price differentials, make both projects comparable, thus enabling you to see if you are getting a "just price."

Using the McGraw-Hill Indexes for some job comparisons will be easier than others. If the job you are analyzing is one of plant maintenance or involves construction, you should be able to apply directly the Plant Maintenance Cost Index of Factory Management & Maintenance, or Engineering News Record's Construction Cost Index. For other specific orders or jobs you will have to adopt one or a combina-

tion of a number of the other indexes to fill the bill.

P.W. will list these key indexes once each month—showing the latest month ago, and year ago index numbers—as you see them appearing in the table on page 1. By keeping the base period in mind, purchasing executives can see the relative changes in prices and costs for many of their own individual activities.

For those indexes of particular interest, you might find it worthwhile to start plotting the monthly changes on graph paper. This will give you a blow by blow picture of price and cost changes. At a moment's notice you will be able to evaluate the long and short-term trends for the area of your specific interest.

Best Measurements

Each of the listed indexes has been specially prepared by McGraw-Hill experts in the various fields. Long periods of investigation and analysis have shown that these products selected, weighted as to importance, are the best measurements of prices and costs available in the various fields.

Listed below are each of the seven McGraw-Hill indexes that will be reported monthly in PURCHASING WEEK. A brief description of what the index measures and how it is computed accompanies each index. You might consider clipping the description of those indexes with which you will be concerned. It will provide a handy reference for future analysis.

• **Basic Chemical Price Index, Chemical Week**—Measures the industrial market price changes of 16 basic chemicals. These chemicals reflect a mix of the most important chemicals purchased by the industrial buyer. It includes, among others, ammonia, caustic

soda, benzene, glycerin, soda ash, sulfuric acid, and titanium dioxide.

• **Construction Cost Index, Engineering News-Record**—Reflects the price movements in structural steel, portland cement, lumber, and common labor in construction work. It measures the basic underlying trend of construction costs in the United States.

• **Electrical Materials Cost Index, Electrical Construction and Maintenance**—Represents the changing costs of a typical assortment of electrical materials for a selected, standard job.

• **Metalworking Products Price Index, American Machinist**—Reflects changes in the prices of products that are sold by the metalworking industry. Includes such items as machinery, machine tools, heavy electrical machinery, and fabricated metal products.

• **Non-Ferrous Metals Price Index, Engineering and Mining Journal**—Shows price variance of a group of major non-ferrous metals. It is weighted as to the importance to industry of the various basic metals included. The prices of raw copper, zinc, aluminum, tin, lead, silver, and mercury make up the index mix.

• **Petroleum Refinery Products Price Averages Index, National Petroleum News**—Measures the relative change in the average price of four principal petroleum products. They are gasoline (regular), kerosene, distillate fuel oil, and residual fuel oil.

• **Plant Maintenance Cost Index, Factory Management and Maintenance**—Represents a statistical measure of changes in the costs of materials and labor used in plant maintenance. Its changes reflect variations in the market price of labor and materials throughout the United States.

Boycott Piles Freight On New York Piers

(Continued from page 1)
the start of the embargo April 15.

The New York Shipping Association, representing steamship lines and contracting stevedore concerns, denounced the boycott and the teamster picketing as an "illegal conspiracy." The association filed unfair labor practice charges with the National Labor Relations Board which sent a member of its injunction staff from Washington to study the situation and recommend action on the boycott.

Earlier, the U.S. Court of Appeals dismissed a plea by the 200 trucking companies involved for an injunction to compel the Federal Maritime Board to order the port terminal operators to suspend the higher tariffs.

The truckers boycott was relatively ineffective during the first days of the demonstration. But once the Teamsters entered the dispute, port activity nosedived quickly. The teamsters said they were protesting a section of the new handling tariff which they believed threatened their jurisdiction over truck unloading at the piers.

A number of longshoremen were laid off as piers quickly filled up with stalled import cargo.



New York P.A.'s Tour Esso Refinery

Linden, N. J.—Members of the Purchasing Agents Association of New York got a good look at how crude oil is turned into marketable end products when they toured the Esso refinery and laboratories. The picture shows them watching the operation of a pair of mechanical hands working with radioactive material in Esso's radiation laboratory.

B. A. Warren, Assistant General Manager of Esso's purchasing department, told the group how his department buys for Esso's world-wide organization. Products purchased range from drills to live frogs. The frogs are used in pregnancy tests at one of Esso's overseas facilities.

Armstrong, Prominent Chicago P.A., Wins N.A.P.A. District 3 Award

Chicago—The Henry L. Brueggemann award, which each year honors the man who has done the most for purchasing in the Midwest, has been presented to the "caretaker" of Chicago's sixth largest bank.

Walter Armstrong, 53, director of purchases for the American National Bank & Trust Co., received the plaque on April 10. It was given to "honor the memory of a man whose diligent and faithful service contributed much to the advancement of purchasing in District 3 of N.A.P.A."

The award was first presented in 1946, following the death three years before of Brueggemann, former director of purchases for Acme Steel Co. and a leader in purchasing activities in Chicago.

Armstrong, known throughout the entire profession for his tireless energy, describes his job as banking P.A. thusly: "The American National Bank & Trust Co. is a big home and I'm the caretaker."

Distinguishing his position from that of the industrial P.A., he points out that "our commodity at the bank is money and our tools are printing and office equipment."

While he freely admits that his total purchases probably do not amount to a million dollars annually, he says he buys about five million checks a year, and "how many industrial P.A.'s can say they once signed an order for nine million envelopes?"

In addition to purchasing, Armstrong's "caretaker" activities put him in charge of such non-banking operations as overseeing the cafeteria, executive dining room, mail room, messenger department, telephone room, stock room, and building maintenance crew.

The honored P.A., who has been with the bank more than 26 years, joined the Purchasing

Agents Association of Chicago in 1934 and quickly became one of its most active members. He has headed a variety of committees and served in 1950-51 as president of the group.

Armstrong was general chairman of the national convention of the National Association of Purchasing Agents held here in 1954, and this year he finds himself in the same familiar spot.



WALTER ARMSTRONG

"I've been offered help by about 200 members of the Chicago group," he said, "and we are going to make this one of the best conventions ever held by the N.A.P.A."

"It is times like these that the purchasing agent should attend a convention," he emphasized. It is also times like these, he added, when management should be made more aware of the contribution that purchasing can make to profits.

"Purchasing as a profession has a fine opportunity to gain greater recognition," Armstrong said. "Often management is inclined to think of sales when it thinks of profits. Purchasing can make a big contribution too, and management has got to be made aware of that."



New Construction Ahead of '57 Figure

Despite the current downturn in business activity, new construction this year continues to outpace 1957. Total seasonally adjusted new construction in March was 2% above last year, putting first-quarter construction 2.5% ahead of 1957. The impetus for the boost has been public new construction totals. So far this year they're running 6% ahead of 1957. In March alone, they were 7.3% ahead of last year. Note in the accompanying chart how the March upturn in public new construction more than balanced the fall in new private construction totals.

Purchasing Perspective

APRIL 28-
MAY 4

(Continued from page 1)

supplier relationships and seeking suppliers' advice on cost-cutting problems. "Join the team," Western Electric pleads in a new booklet entitled "purchasing welcomes your ideas." The publication lists examples of where purchasing and suppliers, working in close cooperation, came up with impressive money-saving ideas.

All signs point to an ending of the downturn by summer, if indeed, the bottom is not already under our feet; then a slow but steady pickup seems sure for fall. And it's more than just talk. The forecast is based on concrete proposals, plans and developments already in the works.

- Military ordering is picking up. By late summer and fall these orders should be translated into production.

- The drop in business spending will have bottomed out by fall. Both official government and McGraw-Hill surveys agree on this point.

The step-up in highways, building, and public works will be felt by the second half of 1958.

- The prospect of a tax cut remains, no matter what is being said now by top officials, if the economic doldrums remain with us too long.

- The let's-get-off-the-floor-and-fight-back attitude of many companies also should show some results before many weeks. Of all the remedies, that one should have the most lasting result.

Chile is going to the U.N. in its campaign to do something about fluctuating copper prices (see p. 9). Under its proposal for an international agency designated to deal with the problem, the South American copper-producing nation wants the United States and other countries with anti-trust and monopoly legislation to exempt any such agency and/or agreements from penalties under those laws.

Chile also would like to see international agreements designed to prevent the use of strategic stockpile copper supplies for speculative purposes. Chilean officials want minimum, regular and maximum levels of industrial copper stockpiles set because, they contend, irregularity in the use of such supplies is one of the main causes of violent price fluctuations in the international market.

Consumer Prices Continue Rise; Wholesale Tags May Be Reduced

Washington—Consumer prices are still on the way up, but the wholesale price level may be coming down this month, according to Commissioner Ewan Clague of the Bureau of Labor Statistics.

The B.L.S. reported last week that the cost of living in March jumped 0.7% from February.

The new living cost hike means a pay raise of 2 to 4¢ an hour for more than a million workers whose wage rates move up and down with index changes. The bulk of these, some 800,000, are in the railroad industry and will receive a 4¢ hourly raise.

Increases of 2 to 3¢ per hour will go to workers in the electrical, metal working, chemical, and local transportation industries.

The consumer price index soared to a record high level because of another spurt in food prices. But Clague thinks the present food shortage is easing and that food prices will begin to level off starting in April.

However, he looks for no downturn in the overall consumer price level until midsummer when farm commodities begin to pour into the market.

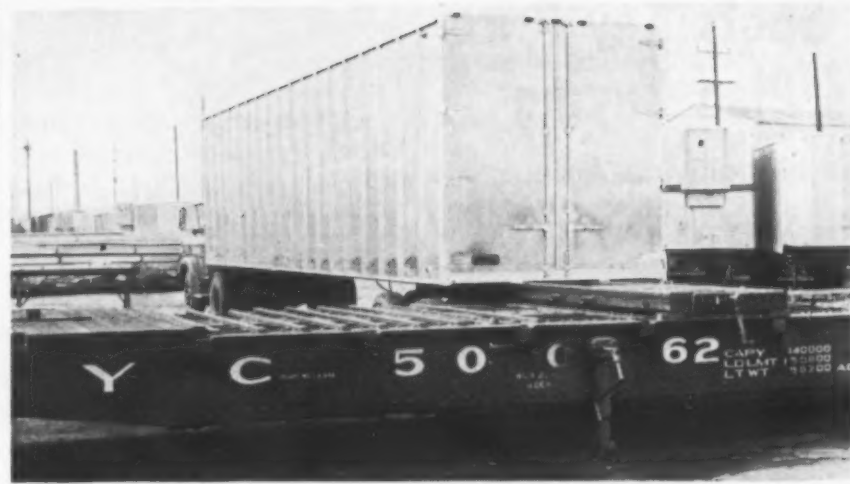
But the situation is different so far as wholesale prices go.

In non-agricultural wholesale prices April declines have been recorded in such items as oil, coal, non-ferrous metals, wool tops, and rayon tufted broadloom rugs.

These declines, coupled with some in food, should be enough to pull down the overall wholesale price level for this month, according to Clague.

Consumer Price Index (1947-49 equals 100)

	March 1958	Feb. 1958
All Items	123.3	122.5
Food	120.8	118.7
Housing	127.5	127.3
Rent	137.1	137.0
Gas & Elec.	115.9	115.9
Solid Fuels & Oils	136.7	137.2
House Furnishings	103.9	104.9
Household		
Operation	130.7	129.9
Apparel	106.8	106.8
Transportation ..	138.7	138.5
Medical Care....	142.3	141.9
Personal Care...	128.3	128.0
Reading & Rec..	117.7	116.6
Other Goods &		
Services	127.2	127.0
Year Ago		
(All Items)....	118.9	



FLEXI-VAN SERVICE IS STARTED BY NEW YORK CENTRAL. By loading special trailers on rail cars, door-to-door shipping is made available.

Uniform Shipping Containers Asked by Industrial Committee

(Continued from page 1)

the program would create additional profits for transport companies.

The committee recently completed a six-month study of the growing trend toward cargo containers or demountable truck bodies for handling dry and refrigerated freight. It recognized an "urgent need" for standardization of such equipment to permit coordinated interchange between different freight services.

Central Starts Flexi-Van

The increasing use of this unique method of transportation was highlighted only last week when the New York Central Railroad launched its Flexi-Van service.

By loading special trailer units aboard rail flatcars, the operation gives shippers the advantages of door-to-door pickup and delivery, fast dependable rail transportation, all with a minimum of loading and unloading.

The main purpose of the study was to examine this and other existing types of containers and container handling methods to determine the general criteria of a container system adapted to the requirements of coordinated freight service between rail, truck, air, and marine operations.

Companies on the committee included Minnesota Mining & Manufacturing Co., Clark Equipment Co., Reynolds Metals Co., Electro-Motive Division of General Motors Corp., Rock Island & Pacific Railroad Co., Spector-Midstates Freight System, Brown-Ing Steamship Co., Slick Airways, and Rail Trailer Co.

Solution Now Premature

William Harvey, chairman of the group and sales manager of Electro-Motive, Chicago, admitted that any solution to the standardization problem, offered at this time would be premature.

"We first want to learn the reaction of the transportation industry to our suggestion," he said. "Of course, we are certain that the conclusions already drawn by our study could be realized.

"The biggest savings potential is in handling. By shipping in a standardized container, handling costs could be reduced more than 50%, and would make for faster deliveries. Also, damage reduction would be considerable."

The committee proposed that containers be standardized to three length sizes, with the width and height remaining stable. It was further suggested that they

be constructed in such a manner that they would be handled by fork truck, crane, straddle carrier, or other standard methods of handling.

"By having three standard size containers," Harvey pointed out, "it would enable shippers to take better advantage of truck load rates instead of sending goods L.T.L. This is another saving that could result."

The two main conclusions reached by the study group are:

- A specialized type of company, neither shipper nor carrier, seemed to be a logical organization for owning and leasing standard shipping containers. This would not, however, negate the suitability of supplementary ownership of standard shipping containers by any shipper or any carrier.

- It was felt that in many separate shipper-carrier-consignee operations involving use of containers, a large cost reduction will be available to all parties, provided there existed a method by which standard shipping containers would be available in sufficient volume with relative low capital investment to these companies.

"As boxcars today can be used by any railroad interchangeably," Harvey added, "we hope the same will soon be true in container transportation."

Lead, Zinc Groups Win Import Fight

(Continued from page 1)

visory Committee—on which of the Commission's recommendations to accept or reject.

The Republican half of the tariff agency—Commissioners Brossard, Talbot, and Schreiber—urged all-out protection from import competition under the law. This means a maximum legal 50% tariff boost on all forms of imported lead and zinc ores, concentrates and metal, plus quotas that would reduce imports to half of their average volume over the past five years.

The Commission Democrats—Sutton, Jones, and Dowling—recommended lower duty boosts, and vigorously denounced quotas as "excessive and unwise" measures which would hurt, rather than help, domestic industry.

The more restrictive recommendations are these: Annual quotas of 221,700 short tons of unmanufactured lead, 325,600 short tons of zinc. Tariff duties of 1.8¢ per pound on lead and zinc ores, 2.55¢ on lead metal, 2.1¢ on zinc metal.

The lower boosts recommended are: 1.5¢ per pound on ores and concentrates, 2.125¢ on lead metal, 1.75¢ on zinc metal.

Buying Rate Goes Up Over Year Ago Figure

(Continued from page 1)

drop in the consumer spending rate, business purchases of goods and materials during the six-month period tell off \$10.5 billion on an adjusted annual rate.

And consumers give no indication they intend to stop buying. Commerce Department officials expect that retail sales in April will show a greater than seasonal pickup.

Though consumer purchases have stayed up, there has been some significant shifts in buying patterns. Durable goods sales fell off 12½% in six months. On the other hand, expenditures for services have risen and those for non-durables declined only 8/10%.

Big Wool Order Given To Boost Business

New York—A New York manufacturer made a major buying decision last week and hopes he may have touched off a spirited game of follow-the-leader to better business.

I. A. Wyner, head of a textile firm, placed a lump order for wool covering 75% of his season requirements. The transaction, amounting to more than \$3,750,000, took many leaders in his industry by surprise, and Wyner found himself swamped with long-distance calls from retailers and other customers for his wool Jersey output, asking what prompted his confident move into the buying market.

"I just made up my mind the wool price squeeze had reached its limit and now was the time to buy," Wyner said. He described his action as an effort to give his customers benefit of a lower price plus making a definite expression of confidence that from here on business conditions will improve.

"I had been holding back on buying wool supplies as has been everyone else," Wyner said. "Now I'm getting calls from all over and it looks like lots of other people are going into the market."

Wyner said he was convinced that "if one person takes the first step, it often crystallizes the attitudes of others and the confidence spreads."

One of the first customers of the I. W. Wyner Co. to respond was the Pomerance Corp. An apparel manufacturer, which said it would order at once 85% of its season's wool jersey needs.

"And other customers are coming in," Wyner reported jubilantly.

ANOTHER RYERSON PLUS: Planned Purchasing



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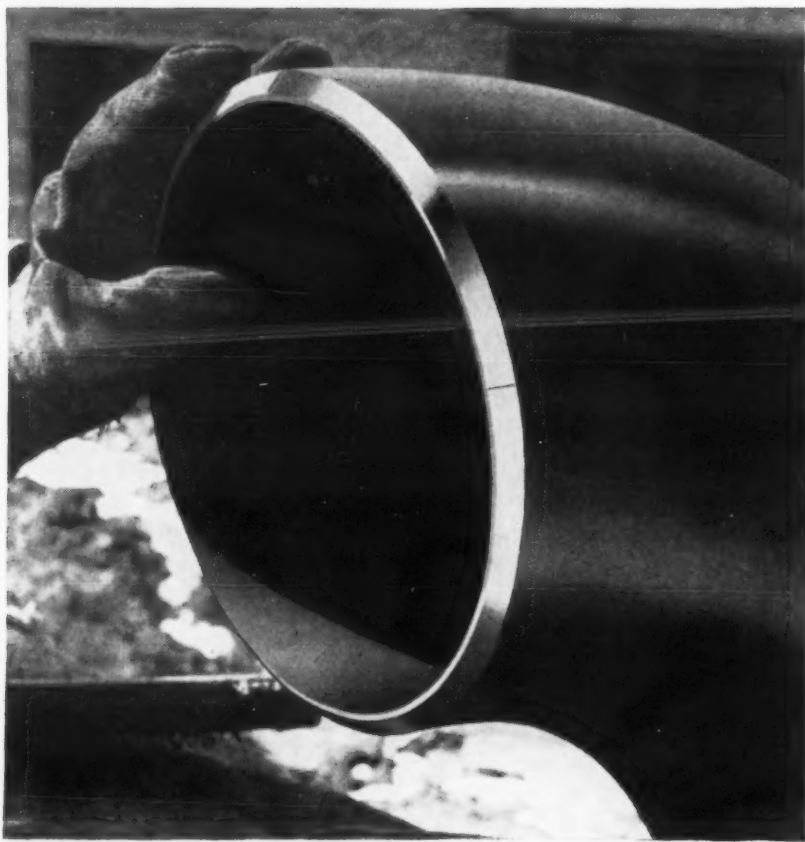
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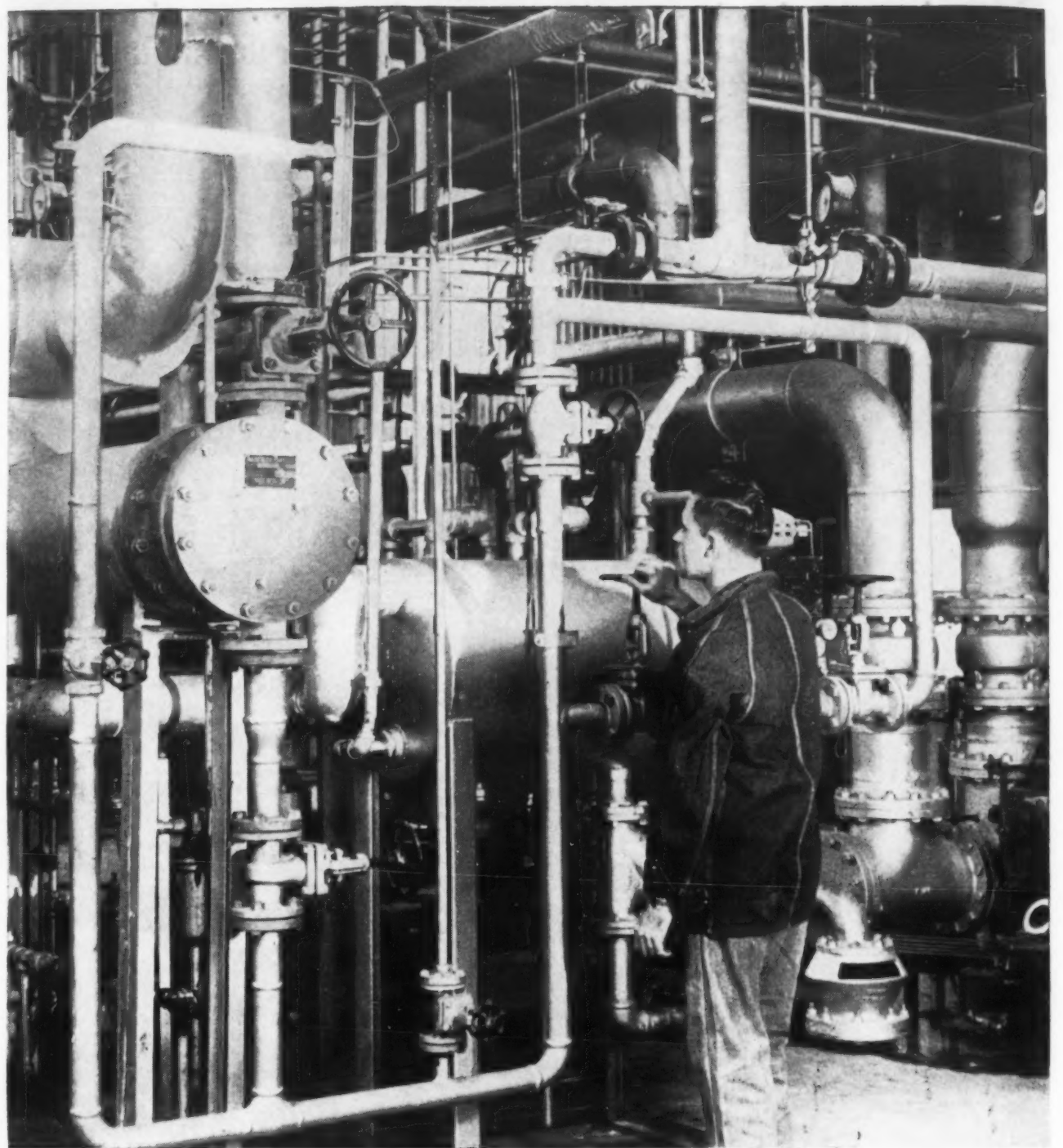
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